

LEGISLATIVE HEARING ON H.R. 1037,
H.R. 1098, H.R. 1168, H.R. 1172,
H.R. 1821, H.R. 1879, AND H.R. 2180

HEARING
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
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H.R. 1821, H.R. 1879, AND H.R. 2180**

THURSDAY, MAY 21, 2009

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 1:12 p.m., in Room 340, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairman of the Subcommittee] presiding.

Present: Representatives Herseth Sandlin, Perriello, Adler, Kirkpatrick, Teague, Boozman, Moran, and Bilirakis.

OPENING STATEMENT OF CHAIRWOMAN HERSETH SANDLIN

Ms. HERSETH SANDLIN. Good afternoon, ladies and gentlemen. The Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, hearing on pending legislation will come to order.

I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and that written statements be made part of the record. Hearing no objection, so ordered.

Today, we have seven bills before us that would address the unique needs of our veteran population. The bills before us today seek: to expand the U.S. Department of Veterans Affairs' (VA) Work Study Program; increase the amount of educational assistance payments for individuals pursuing an apprenticeship or on-the-job training; provide veterans with training assistance in employment sectors in high demand; authorize the VA to post a list of organizations that provide scholarships to veterans and their survivors; expand the services offered by the Vocational Rehabilitation and Employment (VR&E) Program; extend Uniformed Services Employment and Reemployment Act (USERRA) rights for servicemembers ordered to full time National Guard duty; and bring equity to our injured veterans by waiving the housing loan fees for certain veterans with service-connected disabilities called back to active service.

Some of you might recall that last year I introduced legislation that would direct the Secretary of the VA to conduct a 5-year pilot project to expand on existing work study activities for veterans. Recognizing the need to address this important issue in the 111th Congress, I reintroduced H.R. 1037, the "Pilot College Work Study Programs for Veterans Act of 2009."

Currently, veterans that qualify for work study would be limited to working on VA-related work, such as processing VA paperwork, performing outreach services and assisting staff at VA medical facilities or the offices of the National Cemetery Administration.

While providing a study workforce to assist the VA in day-to-day activities is crucial in providing our student veterans with employment opportunities, my bill would allow veterans additional options of working in academic departments and student services. This change would put them on par with students that qualify for a work-study position under programs not administered by the VA.

It is important that we continue to reevaluate existing programs and look into innovative ways to provide our veterans with expanded workforce benefits, education benefits and employment protections which the bills before us today seek to accomplish.

[The prepared statement of Chairwoman Herseth Sandlin appears on p. 23.]

Ms. HERSETH SANDLIN. I now recognize Ranking Member Mr. Boozman for any opening remarks he may have on H.R. 1168, H.R. 1172 or any of the other bills.

OPENING STATEMENT OF HON. JOHN BOOZMAN

Mr. BOOZMAN. Thank you, Madam Chair. As you mentioned, we have seven bills to discuss today.

We all know about the current unemployment situation. There was a recent article in a national news magazine that noted that there are currently 3 million job openings in the United States. Unfortunately, some job skills become irrelevant or obsolete with the passage of time. To address that issue I introduced H.R. 1168, which authorizes \$100 million per year to provide a living stipend and moving assistance to veterans who have been unemployed for at least 4 months, who are not eligible for training or education under title 38 and are enrolled in the U.S. Department of Labor Retraining Program.

The amount of the stipend would mirror that given to chapter 33 GI Bill participants. The moving assistance is intended to help a newly trained veteran who lives in an area of high employment to move to an area where there is a demand for the veteran's skills. It is my hope that H.R. 1168 will be a step toward providing veterans with new skill sets and the ability to relocate where jobs are.

Madam Chair, each bill raises issues of importance to veterans and I am hopeful that today's witnesses will provide us with additional things to consider as we move forward. I want to work with you to ensure that we move as many of these as we can forward as possible, given any PAYGO restrictions we may face and yield back.

[The prepared statement of Congressman Boozman appears on p. 23.]

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

I would like to welcome our panelists testifying before the Subcommittee today. The Chairman of the full Committee, Mr. Filner, may be joining us here shortly.

We have the Honorable Mike Coffman of Colorado, Ranking Member Boozman, Congressman Perriello and Congressman Teague who also have bills under consideration today. They will be

joining us at the dais here today along with Members of the Subcommittee and will be entering their written statements and any other statements they wish to make into the hearing record.

Mr. Coffman, we will recognize you first. Welcome to our Subcommittee you are recognized on your bill.

STATEMENT OF HON. MIKE COFFMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. COFFMAN. Thank you, Madam Chairman and Ranking Member Mr. Boozman.

I introduced House Resolution 1879, the “National Guard Employment and Protection Act,” in order to extend the same reemployment protections given to National Guardsman, regardless of whether they are assigned to a Homeland Security mission or deployed overseas in Iraq or Afghanistan.

Under current law, members of the National Guard who are called up to serve overseas have full reemployment rights granted by the Uniformed Services Employment and Reemployment Rights Act 1994, commonly referred to as USERRA, to meet any active-duty requirements, while those who are involuntarily called up to serve somewhere in the United States as part of a Homeland Security mission are not covered.

USERRA places a maximum 5-year time limit that an employer is required by law to keep a position open for a returning member of the Guard or Reserve who has been mobilized to serve on active duty.

The “National Guard Employment and Protection Act,” House Resolution 1879, would amend USERRA to authorize the Secretary of Defense to include members of the National Guard who are involuntarily recalled to Federal title 32 service for Homeland Security missions to receive the same USERRA reemployment protections as their counterparts who have been mobilized or are serving overseas.

USERRA was designed to provide reemployment rights to returning members of the National Guard and Reserve after they were recalled to active duty under title 10, U.S. Code. The theory behind is USERRA is that the challenges imposed on the members of the National Guard and Reserve and their families would be unnecessarily compounded if they did not have reemployment rights with their civilian employers when they return from active duty. Their recruitment and retention of military personnel for these critical Guard and Reserve components of the U.S. Armed Forces would be extremely low without the reemployment protections given under USERRA.

Training, Homeland Security and Defense missions fall under title 32 of the U.S. Code. Historically, the National Guard has been utilized in one of two categories to define their status when serving on active duty—title 32 and title 10. Traditionally, title 32 was reserved for training and State missions, and title 10 for mobilization to Federal active duty.

Before 9/11, training and State missions were generally thought of as requiring relatively short periods of duty for civil disturbances, natural disasters, annual unit training, or for professional development course work. Training and State missions were never

anticipated to be for a very long time. However, after the terrorist attack of September 11th, the Guard was tasked with Homeland Security defense and given new missions, such as security at airports and nuclear power plants and border patrol, and the Air Sovereignty Alert missions were greatly expanded.

The current USERRA law was written before 9/11 happened. It never envisioned that a member of the National Guard would be called up to serve for an extended period of Federal duty in the United States. The law only assumed that a member of the National Guard would be called to active duty for an extended period of time to serve overseas. USERRA was written for Guardsman serving on active duty under title 10, and has never been amended for those called up under title 32, Federal Duty Status.

All of the soldiers and airman serving in the National Guard must have the same reemployment rights irrespective of where or how they are ordered to serve. We need to recognize that those who are called up for Homeland Security missions can face the same hardships and challenges in trying to get their civilian employment back as someone who has been far away from their civilian occupation due to an overseas assignment.

Eight years into fighting the Global War on Terror, we are starting to see an increasing number of National Guardsman serving in Federal title 32 status who are bumping up against the 5-year USERRA protection for their civilian jobs.

According to the statistics provided by the National Guard Bureau, since 9/11, 6,984 of our citizen soldiers had been called up to perform Federal missions under title 32. There are currently 1,719 Guardsman performing duty under title 32 orders.

The Air National Guard has especially been impacted, particularly those airman performing the Air Sovereignty Alerts missions, such as the 140th fighter wing in my home State of Colorado. They are by no means alone in their situation.

As this loophole in employment protection affects the entire National Guard, it is essential that we make sure all of our Nation's heroes are given adequate opportunity to support Federal missions without it affecting their civilian jobs, whether they are protecting our skies, helping save lives during a national disaster such as hurricane Katrina, enhancing our border security, or another Federal mission.

There is no doubt that the National Guard is an essential part of the total force. America's National Guardsman should never be put in a position where they are forced to choose whether to support a critical mission such as a mission in supporting the Global War of Terror or return to work with their civilian employers in order to protect their jobs.

If the National Guard Employment Protection Act of 2009 is not passed, National Guard members may be forced to choose between keeping their civilian jobs and serving our Nation. Unfortunately, this is already starting to occur and the problem will likely get worse as people near the current USERRA 5-year job protection limit.

The National Guard is performing critical Federal missions under title 32, and it is essential that this loophole be closed so that we protect those who serve to protect us.

This legislation is fully supported by Enlisted Guard Association of the United States and the National Guard Association of the United States, and I have enclosed their letters of endorsement for the record. The National Guard Bureau and the U.S. Department of Defense (DoD) also favor closing this loophole to protect our national Guardsmen.

Our citizen soldiers fight to protect our Nation and our freedom and the very least we can do is protect their rights to serve and retain their livelihood for themselves and their families.

Thank you, Madam Chairman.

[The prepared statement of Congressman Coffman and the attached letters, appears on p. 25.]

Ms. HERSETH SANDLIN. Thank you Mr. Coffman. Thank you for your attention and commitment to our National Guardsmen and women.

We have a series of votes, but we have time to recognize Mr. Perriello to speak on his bill, H.R. 1098.

OPENING STATEMENT OF HON. THOMAS S. PERRIELLO

Mr. PERRIELLO. Thank you, Chairwoman and Ranking Member, for holding this important legislative hearing and giving us this opportunity to offer testimony in support of H.R. 1098, the 'Veteran Workers' Retraining Act of 2009,' or Vet Works Bill.

According the U.S. Department of Labor and Bureau of Labor Statistics, the unemployment rate among veterans of Iraq and Afghanistan has reached a staggering 11.2 percent.

H.R. 1098, legislation I introduced to the House on February 13th, 2009, will help to reduce this trend by providing 570,000 unemployed veterans and members of the Guard and Reserve with enhanced assistance in securing employment in today's challenging job market.

H.R. 1098 increases and makes permanent the training benefit amount for on-the-job training or OJT. OJT provides an alternative to attending a college or university by allowing veterans to use their educational assistance entitlement to pursue a full-time program of apprenticeship or on-the-job training. This program allows veterans to become gainfully employed because their training will lead to an entry level job or better.

Approved OJT programs must be between 6 months and 2 years in length and include programs for welders, painters, cooks, production equipment mechanic, auto mechanic, corrections officer, parts buyer, et cetera.

The training benefit amount is based on a percentage of the basic full-time school rate. The Veterans Benefits Improvement Act of 2004 increased benefits for individuals pursuing apprenticeship or OJT. The increase was only temporary, however, from October 1, 2005, to January 1, 2008.

On January 1, 2008, this provision expired and benefits were restored to the previous rate amount. H.R. 1098 will reinstate the benefit training rate amount established by the Veterans Benefit Improvement Act of 2004 and make it permanent.

Prior to the expiration date of the provisions in the Veterans Benefit Improvement Act of 2004, the Department of Veterans Affairs proposed legislation that would have extended the temporary

increase in the rates of payment to individuals pursuing apprenticeship and OJT programs. Additionally, the U.S. Department of Labor (DOL) has stated that jobs generally requiring this kind of training will account for half of all jobs by 2016.

I can't tell you how many of our returning servicemen have said to me, "I'm really excited to enter the job market. I'm not looking to go to a 4-year college. It's not what I feel called to do right now. I would really like to pick up a trade. This is the sort of training that could be the difference for me between no job or a job, or perhaps the difference between a minimum wage job and a living wage job."

This Congress, this Committee has done a great thing in modernizing the GI Bill for those who want to go to college. We need to do the same for those who feel called to pick up a trade and do the kind of apprenticeship programs that can be the difference for a family of economic security or unemployment.

We have an obligation to help those who have defended our country by giving them the tools they need to rejoin the civilian workforce. H.R. 1098 is a common sense bill, which will provide America's veterans with the resources they need to join the workforce.

I would like to thank all of the veteran service organizations (VSOs) assembled here today for their support of this effort and I look forward to working with you as the legislation progresses.

I thank the Subcommittee for holding this hearing and look forward to answering any questions you may have.

[The prepared statement of Congressman Perriello appears on p. 24.]

Ms. HERSETH SANDLIN. Thank you, Mr. Perriello. The Subcommittee will now take a brief recess for the two votes that have been called and will resume in about half an hour.

[Recess.]

Ms. HERSETH SANDLIN. We will now reconvene. We will now invite Panel 2 to the witness table. Joining us on our second panel of witnesses is: Mr. Richard Daley, Associate Legislative Director for Paralyzed Veterans of America (PVA); Mr. John Wilson, Associate National Legislative Director for the Disabled American Veterans (DAV); Mr. Mark Seavey, Assistant Director, National Legislative Commission for the American Legion; Mr. Raymond Kelley, National Legislative Director for AMVETS; and Mr. Wade Spann of the Wounded Warrior Project (WWP).

In the interest of time and courtesy to all of the panelists here today on this panel and the following, we ask that you limit your testimony to 5 minutes, focusing on your comments and recommendations. Your entire written statement has been entered into the Committee record.

So with that, Mr. Daley, you are now recognized for 5 minutes.

**STATEMENTS OF RICHARD DALEY, ASSOCIATE LEGISLATION
DIRECTOR, PARALYZED VETERANS OF AMERICA; JOHN L.
WILSON, ASSOCIATE NATIONAL LEGISLATIVE DIRECTOR,
DISABLED AMERICAN VETERANS; MARK SEAVEY, ASSISTANT
DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, AMER-
ICAN LEGION; RAYMOND C. KELLEY, NATIONAL LEGISLA-
TIVE DIRECTOR, AMERICAN VETERANS (AMVETS); AND COR-
PORAL WADE J. SPANN, USMC, ALUMNI, WOUNDED WARRIOR
PROJECT**

STATEMENT OF RICHARD DALEY

Mr. DALEY. Thank you, Chairwoman Herseth Sandlin and Ranking Member Boozman and Members of the Subcommittee.

I am pleased to be here to express our feelings on several of these bills. In the interest of time, I will limit my remarks to three of the bills, but all of them are important, and I would like to see movement on all of the bills because they are a step forward for the veterans.

The first one that I would like to discuss is H.R. 1037. It is legislation to establish a pilot program to expand the current scope of work study programs. It is supposed to be a 5-year pilot program that will open up other positions that are available for other people in work study programs through the veterans and there is no reason why they shouldn't be able to help people in the accounting department or the library or any of the other functions within the university or school environment.

In H.R. 1168, the "Veterans' Retraining Act of 2009," unemployment is a problem with especially the Gulf War II veterans. It is at 11.2 percent. Gulf War I veterans, I don't have a specific number because they tend to merge that in with Gulf War II veterans and just say Gulf War veterans, that we know that there is probably—it is higher than the national average for Gulf War I veterans.

This legislation could apply to them because their GI Bill has expired by now and they may not be eligible for any other rehabilitation programs, so this can help those veterans now that are in their late thirties or mid forties, to get some training and seek another career.

And even the current veterans that are 21 years old, you know, when they are 37, they may need a career change and this would also help them.

H.R. 1821, the "Equity Injured Veterans' Act of 2009," PVA supports this, that would extend the period of eligibility for training and rehabilitation through the VA from the current 12 years to 15 years. This would help veterans that must undergo a multi-year medical rehabilitation and that does happen, especially with people with spinal cord injuries.

In preparation for this, I know a veteran back in the St. Louis area, Joseph Avalon, a member of PVA, a military marine, retired marine, but he is a high-level quadriplegic, and I met him when he first came into the Spinal Cord Unit at Jefferson Barracks.

He has been going to college now. He is up and around and everything. He has adjusted to, after 9 years of being, you know, a power wheelchair. But he has finished his college degree and he is

going to work on a graduate degree. But I said, "Did you know that you won't be eligible for the Voc Rehab in another 2 years?"

He said, "No, I didn't know that."

Because he may need to take a computer course or something else to help his employment situation. And I said, well, there is legislation out there to extend it to 15 years, even though it probably shouldn't be any time at all if you are injured in the service like that, such as he was.

The situation was, he was, him and Marines swimming in Hawaii with other Marines, and one of the guys was getting trouble and Joey jumped in, dove in to help save his fellow Marine, and from that point on he was a quadriplegic, that he is dealing with that very well.

And H.R. 1172, we certainly support that, that directs the VA to establish an internet site for organizations, listing organizations for scholarships for veterans and their survivors. That would certainly get the use out of it. I was looking in the U.S. News—USA Today on Monday and they had a big article in there about the number of war veterans that are seeking their brides using the internet. They are over there and they are meeting people, and they are actually, when they come back from Iraq or Afghanistan, they are getting married. So they are very Internet savvy. So putting this information on the internet would certainly make it accessible for them.

That concludes my testimony. I will be ready to answer questions when you have them.

[The prepared statement of Mr. Daley appears on p. 28.]

Ms. HERSETH SANDLIN. Thank you, Mr. Daley. Mr. Wilson, you are now recognized for 5 minutes.

STATEMENT OF JOHN L. WILSON

Mr. JOHN WILSON. Thank you. Madame Chairwoman and Members of the Subcommittee, on behalf of the 1.2 million members of the Disabled American Veterans, I am honored to present testimony addressing various bills before this Subcommittee today.

In accordance with our Congressional Charter, the DAV's mission is to advance the interests and work for the betterment of all wounded, injured and disabled American veterans. We are, therefore, pleased to support various measures, insofar as they fall within that scope.

The legislation under consideration today, I want to address two in my oral statement. The first is H.R. 1821 introduced by Congressman Filner, which seeks to amend chapter 31 of title 38, United States Code, to increase vocational, rehabilitation and employment assistance.

Specifically, it increases the eligibility period from 12 year to 15 years. It increases the allowance from 2 months to 6 months and allows those participating in a vocational rehabilitation program who elect to pursue an approved program of education and receive monthly assistance.

The monthly amounts received would be equal to the amounts eligible veterans receive for educational assistance of this title, including a monthly stipend. Reimbursements for childcare assist-

ance up to \$2,000 per month for single parents is also provided for veterans who are the sole caretaker of a child.

DAV Resolution 246 seeks legislation extending vocational rehabilitation in excess of the 12-year limitation. This bill extends eligibility from 12 years to 15 years. Therefore, we are pleased to support the legislation presented today.

Now, also, the second bill would be H.R. 2180 introduced by Congressman Teague, April of 2009, which waives the housing loan fees for certain veterans with service-connected disabilities called to active service.

This legislation, although focused on veterans called to active duty as part of the Guard or Reserve who have and temporarily forego receiving disability compensation, readily applies to DAV Resolution 15 which calls to the repeal of all funding fees for VA home loans. A resolution notes that in 1990 Congress imposed funding fees upon VA guaranteed home loans under budget reconciliation provisions.

As a temporary deficit reduction measure, these fees are now a regular feature of all VA home loans, except for disabled veterans and un-remarried surviving spouses. The fees were increased, and at the present time may well continue so over the next 7 year.

Their express purpose is straightforward, a way to generate additional revenue to cover the costs of improvements and cost-of-living adjustments and other veterans' programs. Veterans have already paid a high price for freedom, however, and such benefits should not be bourne on the backs of their patriotism.

The DAV has urged Congress to refrain from further increasing the VA home loan funding fees and to repeal these fees as soon as possible.

Congressman Teague is taking a step in the right direction and is to be commended. In these difficult economic times, such legislative action goes far, reducing the burden felt by so may, particularly those who join the ranks of the military.

Madam Chairwoman, this concludes my testimony on behalf of the DAV. I will be happy to answer any questions that you might have.

[The prepared statement of Mr. John Wilson appears on p. 30.]

Ms. HERSETH SANDLIN. Thank you, Mr. Wilson.

Mr. Seavey, you are recognized.

STATEMENT OF MARK SEAVEY

Mr. SEAVEY. Madam Chairwoman, Ranking Member Boozman and Members of the Subcommittee, thank you for this opportunity to present the American Legion's views on the several pieces of legislation being considered by the Subcommittee today.

The American Legion commends the Subcommittee for holding a hearing to discuss these important and timely issues. I will start with H.R. 1037, the "Pilot College Work Study Programs for Veterans Act of 2009," which seeks to direct the Secretary of Veterans Affairs to conduct a 5-year pilot project to test the feasibility and advisability of expanding the scope of certain qualifying work study activities under title 38. The American Legion supports this pilot program.

According to the Department of Labor, the present employment rate for recently discharged veterans is an alarming 20 percent, and one out of every four of these veterans who do find employment earn less than \$25,000 per year. The American Legion believes that this Work Study Program would provide needed job skills and experience for veterans, particularly those in non-skilled military occupational skills.

H.R. 1098 seeks to amend title 38 to increase the amount of educational assistance payable by the Secretary of the VA to certain individuals pursuing internships or on-the-job training. The American Legion supports this legislation as well. We believe that an increase in pay within the existing programs for on-the-job training will greatly benefit veterans who are pursuing internships in training with the necessary income that will provide for their daily and living expenses.

H.R. 1168 would amend chapter 42 of title 38 to provide certain veterans with employment training assistance. The American Legion supports this legislation as well. The bill would provide veterans, especially recently separated veterans who are mission oriented, trainable, drug free and have great work ethic, with training that would prepare them to obtain gainful employment so they can financially provide for themselves and for their families.

H.R. 1172 seeks to direct the Secretary of the VA to include on their Internet Web site a list of organizations that provide scholarships to veterans and their survivors. The American Legion supports this action as well.

This additional scholarship information on VA's Web site would provide veterans and their survivors with centrally located resources that will assist them in their educational endeavors and ultimately help them to smoothly transition from active duty to the civilian workforce.

H.R. 1821 amends chapter 31, title 38 to increase vocational rehabilitation and employment assistance. The American Legion supports the increase in pay for these eligible veterans. This legislation would provide veterans with increased allowances more closely aligned to financial benefits under the Post-9/11 GI Bill.

The American Legion believes this legislation will greatly assist and encourage eligible veterans to remain in voc rehab programs, search for employment and assist with living expenses. Additionally, this bill will provide reimbursements for childcare to veterans who are participating in a voc rehab program and/or who are the sole caretaker of a child or children.

H.R. 1879 seeks to amend title 38 to provide for employment and reemployment rights for certain individuals ordered to full-time National Guard duty. Today, reserved forces are operational forces and they fight side by side with active duty forces, bringing their unique skills and abilities to the modern battlefield.

The American Legion believes that reemployment benefits due these National Guard warriors should be changed to reflect the new military reality. The American Legion supports this provision and the idea that all veterans be treated equally, regardless of their National Guard status in that an individual who is called to duty and serves honorably should receive these kinds of benefits.

H.R. 2180 amends title 38 to waive housing loan fees for certain veterans with service-connected disabilities called to active service. The American Legion supports this initiative to waive housing loan fees for these service-disabled veterans so they and their families can move into quality housing and use these moneys for other necessary items or projects.

The American Legion appreciates the opportunity to present this statement for the record. Thank you, Madam Chairwoman, Ranking Member Boozman and Members of the Subcommittee for allowing us to present our views on these important issues.

Thank you.

[The prepared statement of Mr. Seavey appears on p. 32.]

Ms. HERSETH SANDLIN. Thank you, Mr. Seavey.

Mr. Kelley, you are now recognized.

STATEMENT OF RAYMOND C. KELLEY

Mr. KELLEY. Madam Chairwoman, Ranking Member Boozman, Members of the Subcommittee. Thank you for the opportunity to appear before you today to provide AMVETS' views and discuss pending legislation.

Multiple studies have shown that veterans are more likely to be unemployed or underemployed than their civilian counterparts and a small percentage of veterans who apply for chapter 31 benefits complete their program.

I would like to share some statistics with you. Eighty-one percent of all servicemembers who are transitioning from the military to civilian life have some sort of uncomfortability with that transition. Sixty-one percent of employers don't know the skills that veterans possess. Fifty-two percent of companies use less than 2 percent of their recruitment budget to recruit veterans and that unemployment for veterans is 4 percent higher than their civilian counterparts. That is the bad news.

The good news is the bills that we are discussing today are taking a pretty good stab at removing some of those inequities. H.R. 1037 will greatly expand the scope of qualifying work study for veterans. By expanding this program, veterans will benefit by qualifying for jobs on campuses in which they attend, making it much easier to schedule work hours and class commitments. AMVETS strongly supports this legislation.

On-the-job training and internships are a great way for pre-entry level job seekers to gain real world experience in a field, build their resume and network with companies that hire entry level employees. AMVETS supports H.R. 1098, increasing the assistance amount for veterans who are pursuing internships or on-the-job training is important in helping veterans who lack specific work experience in an occupational field.

Many internships and on-the-job training opportunities are unpaid positions or only provide a small stipend. Also, many of these opportunities prevent participants from working other part-time jobs to sustain themselves. Making these humble increases to the benefit will increase the availability of veterans to find a secure career track and training tools without risking their ability to provide for themselves and their families while they transition from the military.

The Department of Labor has identified 14 sectors that qualify as high-growth fields. AMVETS supports the spirit of H.R. 1168 and would recommend that the duration of payment be extended to cover the entire length of any approved training course.

This will ensure two things. First, that veterans will have the financial means to complete training that lasts longer than 6 months; and second, that veterans will not be limited to career fields that have training periods that last 6 months or less.

AMVETS supports H.R. 1172. Providing a one-stop shop for scholarships will be beneficial to veterans as they are looking for scholarship opportunities. I do have a couple of recommendations, though, that in the legislation be added dependents and not just survivors. AMVETS, and I know that other organizations provide scholarships to dependents of living veterans and that that should be included as well.

AMVETS also suggests that a vetting process occur to ensure that organizations that wish to post their scholarships meet the spirit of the bill. Also, providing a link to the National Association of State Directors of Veterans Affairs will provide easy access to these State veterans' benefits.

AMVETS believes that one of the overlying causes of VR&E incompleteness is financial. Increasing the living stipend will reduce the financial burden. Therefore, AMVETS supports the stipend increase provisions.

However, we disagree with maintaining a delimiting period. There is no delimiting period for disabilities, and there should not be one for the service that is in place to ensure that wounded and injured veterans can gain and maintain meaningful employment.

AMVETS also supports H.R. 2180 and H.R. 1879.

Madam Chairwoman, thank you, again, for providing AMVETS the opportunity to present our views on these key pieces of legislation and this concludes my testimony and I would be happy to answer any questions that you have.

[The prepared statement of Mr. Kelley appears on p. 33.]

Ms. HERSETH SANDLIN. Thank you. Thank you.

Corporal Spann, you're recognized.

STATEMENT OF CORPORAL WADE J. SPANN, USMC

Corporal SPANN. Madam Chairwoman, Ranking Member Boozman and Members of the Subcommittee, I thank you for inviting me to address the Subcommittee today on several pending bills related to economic empowerment of our Nation's veterans.

I am here today on behalf of the Wounded Warrior Project. Their goal is to make this generation of wounded veterans the most successful and well adjusted generation in veterans' history.

My written testimony addresses all the bills before you today. However, I would like to speak only on H.R. 1821, which addresses the VR&E Program.

My story begins on June 13th, 2004, when I was wounded by a roadside bomb outside of Fallujah when I was serving in the Marine Corps. From my sacrifices and from my disabilities, I gained a 70 percent disability rating.

I went on to finish my third tour in Iraq. While on my third tour, I met another Marine who had gotten out, worked for the VA and

then came back from the Marines, and he is the one that told me about the VR&E program.

I was enrolled in the educational tract in April of 2007 with a severe employment handicap. Last Friday, I proudly state, I graduated from the George Washington (GW) University with a degree in International Affairs.

Let me say this. I state I like the VRE program. I am grateful for the VR&E program. I could not have attended the George Washington University had it not been for that program, but their subsistence levels are too low. For example, in my case, my monthly cost of living is about \$2,000. I received about \$1,100 for my disabilities and \$540 per month from the VR&E subsistence rates.

To cover the difference in that cost, I have worked 3 days a week as a bartender, every week while at school. This working did hamper my academic studies and it greatly affected my studies.

H.R. 1821 is a step in the right direction. It gives me the choice to use the new GI Bill with the higher subsistence rates, but if I use that new GI Bill, there is a cap at the end of my tuition.

Here is what this would have meant for me had I been going to GW during this. In Washington, the new GI Bill will pay \$105 per credit hour. It will also pay me \$657 per term to cover my fees. Last semester I carried 15 credit hours.

On the new GI Bill, this would give me about \$2,232 per term for tuition and fees. The good news, my subsistence payments would be over \$1,900 a month, but my subsistence would be more than enough to meet my monthly expenses.

However, the George Washington University tuition is about \$50,000 a year. So if I use the new GI Bill, I would have to pay about \$45,000 out of my own pocket and simply any veteran getting out of the military or any American these days does not have \$45,000 to pay for school.

There are some good provisions in this bill that I want to include. As I represent the Wounded Warrior Project, we support extending the eligibility period from 12 years to 15 years. In addition, we also support extending subsistence payments from 2 to 6 months after completing a VR&E tract.

One final concern I have deals with the VR&E counseling and tutoring. I had very limited contact with my VR&E counselor, and I wish I had had some more. It would have given me the guidance that I needed sometimes.

Also, the VR&E tutors are not sufficient enough for me to be at an academic level that I was at. I found that the GW University provided peer tutors that were more beneficial and better for my academics. To use the GW tutors, I moved near campus. That way I could be close to my student peers, tutors, and also my professors. This cost me about \$1,000 a month in rent.

In summary, I am very grateful for the VR&E program. The low subsistence payments almost made me quit many of times. If it was not for my family in this area, my fellow veterans and fellow VSOs in this area, I would have definitely not completed my education at the George Washington University.

H.R. 1821 offers a partial remedy for letting me use the new GI Bill, but if I use that new GI Bill, my tuition is capped and which restricts my choice of schools.

In summation, VR&E should provide a fair comprehensive package of monthly payments to cover training, tuition fees, subsistence and family living expenses through the first 6 months of employment.

Thank you, Madam Chairwoman and Members of the Subcommittee. I am happy to answer any questions that you may have.

[The prepared statement of Mr. Spann appears on p. 35.]

Mr. PERRIELLO [presiding]. Thank you very much to all of you for your testimony. Before we go to questions, I am going to recognize Mr. Teague for a couple of minutes for an opening statement.

Mr. TEAGUE. Thank you, Mr. Chairman. Is this microphone on? Is it now?

Mr. PERRIELLO. Yes, sir.

OPENING STATEMENT OF HON. HARRY TEAGUE

Mr. TEAGUE. Okay. Thank you, Mr. Chairman and Ranking Member Boozman and fellow Subcommittee Members. Thank you for allowing me to have the opportunity to speak on behalf of H.R. 2180. I believe that this bill represents something that we can always use more of in government, a little common sense.

In this case, that common sense is a simple fix that will ensure that disabled veterans will be able to receive assistance that they should have had all along. H.R. 2180 would amend title 38 of the United States Code to waive VA home loan fees for certain veterans with service-connected disabilities that have been recalled to active service.

As you know, the Department of Veterans Affairs underwrites home loans that are made by private lenders to eligible veterans. The benefits of having a VA home loan are many. For example, the buyer is informed of reasonable value, the interest rate is negotiable and there are no mortgage insurance premiums. Veterans also have the right to prepay without penalty, and the VA provides assistance to veteran borrowers in default due to financial difficulty.

Additionally, under title 38, section 3729, many disabled veterans and some injured soldiers qualify for a waiver of home loan fees. Unfortunately, however, a different part of the law, title 38, section 5304 prevents an eligible servicemember or veteran from receiving a home loan funding fee waiver if the veteran is called up back to active-duty service. My bill amends title 38 to close this hole in the Code and also eligible servicemembers to receive the fee waiver.

Mr. Chairman, I simply think that it is wrong to expect someone who has served their country, and been injured as a result of that service, be penalized because we, as a government, are putting them back in uniform. This is an oversight in the law that must be repaired, and I thank the Committee for giving my bill a hearing. The cost of this bill would be very minimal and it complies with the PAYGO rules.

H.R. 2180 represents a common sense solution to a problem that I do not think anyone anticipated. I believe that when the Congress established the VA home loan program, they had the best of intentions and created a wonderful opportunity for thousands of vet-

erans that simply want their part of the American dream. With this bill, we can correct an oversight that will help even more veterans along the way. I would like to take this time to thank the staff members of the Economic Opportunity Subcommittee who lent their expertise during the drafting of this bill and thank Chairwoman Herseth Sandlin and Ranking Member Boozman for the opportunity to advance this bill.

This concludes my testimony and I am happy to answer any questions you may have regarding H.R. 2180. Thank you.

[The prepared statement of Congressman Teague appears on p. 24.]

Mr. PERRIELLO. Thank you, Mr. Teague.

I am going to return to the questions now and ask Ranking Member Boozman if he has questions for the panel.

Mr. BOOZMAN. Thank you, Mr. Chairman.

Mr. Spann, in your testimony you stated that you believe H.R. 1168 was too costly and could affect other programs. Are you opposed to the bill because it would likely benefit older veterans who have few other opportunities to getting marketable skills?

Corporal SPANN. Can you repeat that question, sir?

Mr. BOOZMAN. In your testimony, you said that it was too costly and could affect other programs. I guess the question is, are you opposed because it would likely benefit older veterans that really don't have many opportunities as far as skill sets, to acquire skill sets, marketable skills?

Corporal SPANN. I understand the question. At this time I would like to defer to answering and take that question for the record.

[The Wounded Warrior Project subsequently provided the following information:]

Wounded Warrior Project commends Representative Boozman's intent with this legislation. WWP's position is that we neither support nor oppose H.R. 1168 at this time. As proposed, Congressman Boozman's bill contains limited information about the specifics of the program and does not reveal how the program's cost of \$100 million would be paid. Accordingly, WWP is uncertain whether this bill could adversely impact existing or proposed VA programs which focus more specifically on Wounded Warrior Project signature initiatives intended to help our core constituency.

Mr. BOOZMAN. Thank you, Mr. Chairman. That is the only question I have. I appreciate you commenting on the bills as always. It is always very, very helpful. As we go forward, I am really pleased. I think that the Members of Congress have really come up with many suggestions in the form of these bills that we have to work with, that I think really offer the possibility of making veterans' lives a little bit easier, so thank you, Mr. Chairman.

Mr. PERRIELLO. Thank you, Mr. Boozman. I have a question for Mr. Wilson, but others may comment.

Do you believe that the current method used by the VA to report the number of rehabilitated veterans is adequate or should we be looking to adhere to H.R. 1821, the proposal from Mr. Filner?

Mr. JOHN WILSON. Repeat the question again, please, sir.

Mr. PERRIELLO. Do you believe that the current method used by the VA to report the number of rehabilitated veterans is adequate, or should the VA adhere to the proposal in H.R. 1821 that has been introduced by Chairman Filner?

Mr. JOHN WILSON. I would think that looking in our view that the current process is adequate and that H.R. 1821 seems to ad-

dress an important issue of extending an eligibility period. We would like to see the delimiting period removed entirely, but have had no issue with how the VA currently identifies veterans who are eligible for participation.

Mr. PERRIELLO. It is possible to get the report earlier in the process of the rehabilitation?

Mr. JOHN WILSON. It is entirely possible, yes, sir.

We always, we would hope for an earlier reporting whenever possible. That makes it easier to reach out to the veterans and provide them full assistance.

But to properly address your question, I should take it under advisement and respond to your letter.

[The information was provided in a Post-Hearing Question and Response for the Record, which appears on p. 42.]

Mr. PERRIELLO. Thank you.

Mr. JOHN WILSON. You are welcome.

Mr. PERRIELLO. Mr. Kelley.

Mr. KELLEY. Yes, Mr. Chairman. Currently under title 38, chapter 31, the VA Performance and Accountability Report, there is a discrepancy in the reporting. VA currently will, if a veteran drops out of VR&E without a plan of what they are going to do, that they don't take that into account within their reporting. That is why they have that 73 percent success rate, when in actuality it is in the high teens, low twenties.

There needs to be some oversight on that to ensure that the proper amount of money is given to that program for success in the future.

Mr. PERRIELLO. Well, picking up on that question, Mr. Kelley, cited 18 percent. How does that compare to the world of rehabilitation more generally outside of the VA system?

Mr. KELLEY. I would have to go back and look at that. I can get that for you for the record, Mr. Chairman.

[The information was provided in a Post-Hearing Question and Response for the Record, which appears on p. 43.]

Mr. PERRIELLO. All right.

Mr. Teague, do you have any questions?

Mr. TEAGUE. Yes. Mr. Chairman, Ranking Member, thank you.

I just have one question. It is for Corporal SPANN. Why do you feel that H.R. 2180 is unnecessary?

Corporal SPANN. You said H.R. 2180?

Mr. TEAGUE. Yes, H.R. 2180. In your testimony you stated that you didn't think it was necessary?

Corporal SPANN. You will have to forgive me on that. My memory escapes me on that. I would like to defer that answer and take that question for the record.

[The Wounded Warrior Project subsequently provided the following information:]

Representative Teague, as we stated in our written testimony, while we do not oppose this proposed legislation, we feel that all active duty servicemembers should be subject to the same VA loan fees regardless of disability status. We recognize and support the current laws which waive those fees for disabled veterans, including Guard and Reserve members, not on active duty. However, once called back to active duty, we feel that Guard and Reserve members should be treated as any other active duty servicemember. There are several instances of active duty regular servicemembers who have been disabled but who continue to serve. They must pay

the VA loan fees. We simply feel that, as a matter of equity, all servicemembers on active duty should be subject to the same VA loan rules.

Mr. TEAGUE. Okay. Very well. Thank you. I have no other questions, Mr. Chairman.

Mr. PERRIELLO. I would like to thank all the Members of the panel for testifying before our Subcommittee. Your feedback on legislation today is appreciated. Your dedication to our Nation's veterans is appreciated. We look forward to those answers that will come back to us later and continue this dialog.

Thank you very much and the panel is dismissed.

There may be additional questions submitted by the staff and we will be in touch as those questions arise.

We now invite Panel 3 to the witness table. Joining us on our third panel is: Mr. Keith Wilson, Director of the Office of Education Services, Veterans Benefits Administration (VBA), Department of Veterans Affairs, who is accompanied by Mr. John Brizzi, Deputy General Counsel for the Department of Veterans Affairs; and Mr. John McWilliam, Deputy Assistant Secretary, Veterans' Employment and Training Service for the Department of Labor.

Your full written statements will be entered into the record as well. We will begin with Mr. Wilson. You are now recognized.

STATEMENTS OF KEITH M. WILSON, DIRECTOR, EDUCATION SERVICES, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY JOHN BRIZZI, DEPUTY ASSISTANT COUNSEL, OFFICE OF GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS; AND JOHN M. MCWILLIAM, DEPUTY ASSISTANT SECRETARY, VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR.

STATEMENT OF KEITH M. WILSON

Mr. KEITH WILSON. Good afternoon, Chairman Periello, Ranking Member Boozman and other Members of the Subcommittee. I am pleased to be here before you today to provide the Department of Veterans Affairs views on pending benefits legislation. I am accompanied today by Mr. John Brizzi of VA's Office of General Counsel.

Two of the bills on the agenda today, H.R. 1168 and H.R. 1879, affect programs or laws administered by the Department of Labor and we defer to DOL's views on those bills.

H.R. 2180 would waive housing loan fees for certain veterans with service-connected disabilities called to active duty. VA supports this proposal. The law as currently written does create an inequity among groups of veterans. VA estimates that the costs of H.R. 2180, if enacted, would be small.

H.R. 1821, the "Equity for Injured Veterans Act of 2008," would amend chapter 31 of title 38 U.S. Code to extend the basic eligibility for use of voc rehab and employment assistance benefits under the chapter by an additional 3 years from 12 years to 15 years.

VA supports, in principle, efforts to facilitate successful completion of voc rehab programs under chapter 31. Provisions within H.R. 1821 do have the potential to improve rehabilitation completion rates. The VA looks forward to working with the Committee

to ensure the bill properly addresses the issues that impact veterans' ability to complete rehabilitation programs.

We estimate that the impact of this—we estimate that the cost of this bill would be \$43.8 million over the first year, \$400 million over 5 years and \$895.4 million over 10 years.

H.R. 1037 would direct VA to conduct a 5-year pilot project to test feasibility and advisability of expanding the scope of the current work study program. Although VA supports the intent to expand the authorized work study activities, we are unable to support the bill.

VA does not have the expertise or the resources to directly supervise, as required by law, the wide range of activities suggested, such as research assistants, lab assistant, tutors, et cetera, for positions located at non-VA offices. The success of the current work study program is largely due to participant's performance of VA-related functions under the direct supervision of VA.

H.R. 1098 would increase by 10 percent the full-time monthly institutional rate for educational assistance allowance that is payable for apprenticeship or on-the-job training under certain VA education programs.

VA is unable to support H.R. 1098 at this time. The bill would remove the annual cost-of-living increase for the chapter 35, Dependent's Educational Assistance Program.

Additionally, funding for such an increase in these benefits is not included in the Administration's fiscal year 2010 budget. We will provide a full cost of the bill for the record.

[The cost of the bill appears in the response to Question 2 of the Post-Hearing Questions and Responses for the Record, which appears on p. 46.]

H.R. 1172 would direct VA to include on the Internet Web site of the department, a list of organizations that provide scholarships to veterans and their survivors and a link to the Internet Web sites of such organizations. We understand and support the importance of veterans having all available information concerning scholarship programs available to them.

However, as currently prepared, we do have concerns that maintaining such a list on the VA Web site would be problematic and not provide veterans the best available information. Therefore, we do not support the bill. We estimate that the cost of H.R. 1172, if enacted, would be insignificant.

Mr. Chairman, this concludes my oral statement. I would be happy to entertain questions you or other Members of the Subcommittee may have.

[The prepared statement of Mr. Keith Wilson appears on p. 37.]

Mr. PERRIELLO. Thank you, Mr. Wilson.

Mr. McWilliam, you are recognized.

STATEMENT OF JOHN M. MCWILLIAM

Mr. MCWILLIAM. Thank you, sir, Mr. Chairman, Ranking Member Boozman.

Thank you for inviting us today to testify. I will restrict my remarks to those two bills that impact the Department of Labor and we defer to the Department of Veterans Affairs on the remaining bills.

H.R. 1879, the purpose and sense of Congress in enacting the Uniformed Services Employment and Reemployment Rights Act 1994 was to encourage non-career service in the uniformed services. To further this purpose, Congress limited to 5 years the cumulative time that an employer is required to support a servicemember's military absence.

H.R. 1879 would amend USERRA to exempt from the 5-year limitation the service of National Guard members who are ordered to full-time duty, pursuant to 32 USC § 502(f). The Department is confident that the Secretary of Defense is sensitive to the balance that civilian employers face in, both, supporting their employees who serve in the National Guard and operating a successful business. Therefore, we have no objection to this provision.

H.R. 1168 would direct the Secretary of Labor to provide covered veterans a monthly training assistance allowance for each of 6 months in which they are enrolled in an employment and training program that teaches a skill in demand. The Department notes that this bill appears to establish an entitlement to this assistance, which is a concern in term with the long-term financial challenges the Nation faces. The assistance would be available without regard to the financial need of the veteran or the need for training to enhance his or her employment prospects.

The Department also notes that veterans currently receive priority of service within the wide array of training programs available through the DOL-funded one-stop career center system.

The Department would like to offer some thoughts on this implementation of this legislation. The Department would need to develop a system of certification and payment. The Department would need to explore various options to include the possibility of veterans' certification being done by veterans' employment specialists in one-stop career centers.

The Department believes that the program's highest priority should be those eligible veterans who, without this benefit would be unable to obtain the training necessary to find a good job.

Mr. Chairman, that concludes my statement. I would be happy to respond to any questions.

[The prepared statement of Mr. McWilliam appears on p. 39.]

Mr. PERRIELLO. Thank you very much, Mr. McWilliam.

Let me begin with Mr. Wilson. On February 13th, 2008, the Subcommittee held a hearing in which Mr. Keith Pedigo testified on behalf of the VA. In his testimony he proposed legislation that would extend the temporary increase in the rates of payment to individuals pursuing apprenticeship and OJT programs and recommended reinstatement of the benefit rate increase in support, making the increased payment.

In today's testimony, the VA does not support H.R. 1098 because it is not included in the fiscal year 2010 budget. The temporary increase was not included in the 2009 budget request, yet the VA did support the extension.

Can you elaborate on what has changed?

Mr. KEITH WILSON. Yes. The core participants that we pay benefits to are paid under the chapter 30 program. The chapter 30 participants under the OJT program did receive a 20-percent rate increase with enactment of the Post-9/11 GI Bill, so we believe that

was a core important issue in terms of supporting the on-the-job training program.

Additionally, the budget issues involved with the 2010 budget, as indicated in my testimony, prohibit us from supporting further expansion.

Mr. PERRIELLO. You state that the success of the current work-study program under H.R. 1037, is largely due to participant's performing VA-related functions under the direct supervision of the VA. Why must the students be performing VA-related functions?

Mr. KEITH WILSON. Under the current statute, that is the requirement, is that they are doing VA-related work under direct supervision of VA staff. That allows us to have a close relationship with the individuals that are performing the functions. It also gives us a level of expertise to monitor that they are doing work and we understand that the work that they are providing is valid work.

Extending it beyond our expertise would challenge our ability to really provide the oversight that the statute requires as to provide to the program currently.

Mr. PERRIELLO. But why does the VA need to personally supervise the students in the work study program? Can the supervision be conducted by university officials with guidance from the VA, similar to other work study programs that many of us were part of?

Mr. KEITH WILSON. Under current statutes, that is not our understanding that that would be an option. It refers to direct supervision by VA.

Mr. PERRIELLO. Why is it that the Federal work study programs do not have direct Federal government oversight while the VA work study does?

Mr. KEITH WILSON. I would have to provide a response to the record. I don't have good information for that right now.

[The information was provided in the response to Question #1 of the Post-Hearing Questions and Responses for the Record, which appears on p. 46.]

Mr. PERRIELLO. All right. With that, I am going to turn to the Ranking Member, Mr. Boozman, for his questions.

Mr. BOOZMAN. Thank you, Mr. Chair. I appreciate your comments about the evolving Disabled Veterans' Outreach Programs (DVOPs) and local veteran's employment representatives (LVERs) and the one-stop employment centers in the proposed program. Can you expand on that a little bit for me, Mr. McWilliam?

Mr. MCWILLIAM. Mr. Boozman, we were considering how to do a certification for the training. We would assume that most people who would be enrolled in this program, hopefully, would be also case managed by a DVOP or an LVER.

So one of the initial responses we had to the proposed legislation was that certification could start with a DVOP or an LVER. We would certainly have to work that out in regulations, but that was an initial assessment that we had of the proposal.

Mr. BOOZMAN. Thanks.

Mr. Wilson, wouldn't placing appropriate disclaimers on the proposed scholarship Web site stating the VA is not responsible for the accuracy or completeness of the listed scholarship address your concerns?

Mr. KEITH WILSON. It would provide some level of understanding, I guess, in the information that we would be linking to from our Web site. I believe that is correct.

What we do want to do is make it as simple as possible for veterans to get information on the options that they have, and we don't want to duplicate other sources of that information. For instance, we are aware the Department of Education does have a Web site that has this type of information.

We need to go into more detail to find out any differences between what the Department of Education does offer and what this proposal would offer. But recently my staff has been on that Department's Web site and did a search for veterans' scholarships, and we came up with about 120 hits, results from that search.

Mr. BOOZMAN. In your testimony regarding H.R. 1098, you said VA is unable to support the enactment at this time because funding for such an increase in these benefits is not included in the administration's fiscal year 2010 budget.

I think we have these hearings in good faith, to try and really determine the merit of these bills. Are we in a situation now where if it is not in the President's budget, that VA—I am picking on you a little bit. I know it is not you, it is VA, and I think the Department of Labor is probably in the same situation, but are we in a situation now where if it is not in the budget, you are not for it?

Mr. KEITH WILSON. I think that is too broad to be an accurate statement. There are several things that would go into play concerning whether or not the administration would support pieces of legislation, taking into account the cost and the benefit that would be derived from the cost, so I would say that the answer would be no and that would not be a blanket approach on all issues.

Our problems is if you look back, in talking to staff and people who have been around, if we have to sit back and wait for VA and the Department of Labor to come to us, very little has gotten done.

My interpretation of this is it is a two-way street and it should help us in good faith, you know, determine the merits of these bills. And I think we have had that relationship in the past and I hope that we continue to have that relationship. I think it is really important, but our duty is to push these things forward with your help, with the VSO's help also.

But, like I said, if we have to wait on you guys, it is not going to happen. Plus, it is our responsibility.

If there is a money issue, then you need to tell us there is a money issue and then go from there. So that is my lecture for the day.

Mr. BOOZMAN. I understand. Thank you.

Mr. KEITH WILSON. Thank you.

Mr. BOOZMAN. Thank you, Mr. Chairman.

Mr. PERRIELLO. Thank you very much for making that important point, Mr. Boozman.

Mr. Wilson—I know. I appreciate it. Don't think it went unnoticed.

Mr. PERRIELLO. In your testimony, Mr. McWilliam, you state that: "Eligible veterans who, without this benefit, would be unable to obtain the training necessary to find a good job." Do you know how many veterans you would estimate fit into this category?

Mr. MCWILLIAM. No, Mr. Chairman, I do not. There is, as of April 2009, slightly over one million veterans who were considered unemployed. I do not know how many would fall into the category of this bill, ineligible for other benefits.

Mr. PERRIELLO. Mr. Wilson, in your testimony you state that: "The childcare program is not tailored to those who would otherwise forego rehabilitation in the absence of government subsidized childcare assistance."

How should the program under H.R. 1821 be tailored in your mind?

Mr. KEITH WILSON. Yes. Those are specifically the type of things that we look forward to engaging with the Committee on. One of the things, for example, that jumps out at me on the childcare issue, is it is limited to sole provider, single veterans with children.

Currently, we have about 98,000 participants in the voc rehab program, 1,000 of which are single veterans. So that would, I believe, beg the question of whether or not the 97,000 that would not be covered under this would have similar needs, taking into account a lot of times we are living in an economy where we have two bread winners that are required to make ends meet.

So those would be the type of things that we would welcome engagement on.

Mr. PERRIELLO. We look forward to that. Thank you very much for your time today. Thank you for your testimony, and thank you for all you do for our Nation's veterans. And with that, we will dismiss the panel.

Before we adjourn today's hearing, I would like to thank all of our men and women in uniform who are currently serving in our Armed Forces, the veterans who have answered our Nation's call to duty, and particularly thank the families who have lost a loved one while in military service.

While 'thank you' is never enough to demonstrate our Nation's gratitude or their selfless service, I know that my colleagues and I in the Committee stand united in honoring their legacy.

I would like to thank everyone for their statements this afternoon. We look forward to working with all of you as we continue to evaluate the suggestions that were provided to us today. I can assure you that we will continue to work together in bipartisan manner to review current programs, to determine if they meet the needs of veterans and their dependents, while we continue to look for new opportunities to strengthen and improve benefits.

The hearing stands adjourned.

[Whereupon, at 2:46 p.m. the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunity

Today we have seven bills before us that would address the unique needs of our veteran population. The bills before us today seek to: expand the VA's work-study program; increase the amount of educational assistance payments for individuals pursuing an apprenticeship or on-job training; provide veterans with training assistance in employment sectors in high demand; authorize the VA to post a list of organizations that provide scholarships to veterans and their survivors; expand the services offered by the Vocational Rehabilitation and Employment Program; extend USERRA rights for servicemembers ordered to full-time National Guard duty; and bring equity to our injured veterans by waiving the housing loan fees for certain veterans with service-connected disabilities called back to active service.

Some of you might recall that last year I introduced legislation that would direct the Secretary of the Department of Veterans Affairs to conduct a 5-year pilot project to expand on existing work-study activities for veterans. Recognizing the need to address this important issue in the 111th Congress, I re-introduced H.R. 1037, the Pilot College Work Study Programs for Veterans Act of 2009.

Currently, veterans that qualify for work-study would be limited to working on VA related work such as processing VA paperwork, performing outreach services, and assisting staff at VA medical facilities or the offices of the National Cemetery Administration. While providing a student workforce to assist the VA in day to day activities is crucial in providing our student veterans with employment opportunities, my bill would allow veterans additional options of working in academic departments and student services. This change would put them at par with students that qualify for a work-study position under programs not administered by the VA.

It is important that we continue to reevaluate existing programs and look into innovative ways to provide our veterans with expanded workforce benefits, education benefits, and employment protections which the bills before us seek to accomplish.

Prepared Statement of Hon. John Boozman, Ranking Republican Member, Subcommittee on Economic Opportunity

Good afternoon Madam Chair. We have a full slate of witnesses to provide their views on:

- Your bill, H.R. 1037, the Pilot College Work Study Programs for Veterans Act of 2009 to expand the number and types of work study positions at schools;
- H.R. 1098, Veterans' Worker Retraining Act of 2009, introduced by Mr. Perriello, to restore the expired increased payment rates for OJT and apprenticeship jobs;
- My H.R. 1168, Veterans Retraining Act of 2009, to provide financial assistance to unemployed veterans undergoing DoL training programs;
- My H.R. 1172, what I call the Tillman Scholarship Initiative, to have VA list veterans scholarships on the VA Web site;
- H.R. 1821, Equity for Injured Veterans Act of 2009, introduced by Chairman Filner, to expand benefits provided under the Vocational Rehabilitation and Employment program;
- Congressman Coffman's H.R. 1879, National Guard Employment Protection Act of 2009 to exclude certain title 32 active duty from being counted against the 5-year limit under USERRA; and finally;
- Mr. Teague's H.R. 2180, which waives loan guaranty fees for certain veterans with service-connected disabilities.

Madam Chair, we all know about the current employment situation. There was a recent article in a national news magazine that noted there are currently 3 million job openings in the United States. Unfortunately, some job skills become irrelevant or obsolete with the passage of time. To address that issue I introduced H.R. 1168 which authorizes \$100 million per year to provide a living stipend and moving assistance to veterans who have been unemployed for at least 4 months, who are not eligible for training or education under title 38, and are enrolled in a U.S. Department of Labor re-training program.

The amount of the stipend would mirror that given to chapter 33 GI Bill participants. The moving assistance is intended to help a newly trained veteran who lives in an area of high unemployment to move to an area where there is a demand for the veteran's skills.

It is my hope that H.R. 1168 will be a step toward providing veterans with new skill sets and the ability to relocate to where the jobs are.

Madam Chair, each bill raises issues of importance to veterans and I am hopeful that today's witnesses will provide us with additional things to consider as we move forward. I want to work with you to ensure that we move as many of these as possible given any PAYGO restrictions we may face and I yield back.

Prepared Statement of Hon. Thomas S.P. Perriello

Good Afternoon—Let me begin by thanking Chairwoman Sandlin and Ranking Member Boozman for holding this important legislative hearing. I appreciate the opportunity to offer testimony in support of H.R. 1098, the Veterans Worker Retraining Act of 2009.

According to the United States' Department of Labor, Bureau of Labor Statistics the unemployment rate among veterans of Iraq and Afghanistan is a staggering 11.2 percent.

H.R. 1098, legislation which I introduced in the House on February 13, 2009, will provide 570,000 unemployed veterans and members of the guard and reserve enhanced assistance in securing employment in today's challenging job market.

H.R. 1098 increases and makes permanent the training benefit amount for on-the-job training (OJT). OJT provides an alternative to attending a college or university by allowing veterans to use their educational assistance entitlement to pursue a full-time program of apprenticeship or on-the-job training. This program allows veterans to become gainfully employed since their training will lead to an entry level job. Additionally, while in training, they will receive wages from their employer. Approved OJT programs must be at least 6 months and can be up to 2 years in length. Some examples of OJT programs are welder, painter, cook, production equipment mechanic, auto mechanic, corrections officer, and parts buyer.

The training benefit amount is based on a percentage of the basic full-time school rate. The Veterans Benefit Improvement Act of 2004, increased benefits for individuals pursuing apprenticeship or on-the-job training. The increase was temporary, from October 1, 2005 to January 1, 2008. On January 1, 2008, this provision expired and benefits were restored to the previous rate amount. H.R. 1098 will reinstate the benefit training rate amount established by Veterans Benefit Improvement Act of 2004 and make it permanent.

Prior to the expiration date of the provisions in the Veterans Benefit Improvement Act of 2004, the Department of Veterans Affairs proposed legislation that would have extended the temporary increase in the rates of payment to individuals pursuing apprenticeship and OJT programs. Additionally, the Department of Labor states that jobs generally requiring OJT training will account for half of all jobs by 2016.

We have an obligation to help those who have defended our country by giving them the tools they need to rejoin the civilian workforce. Again I thank the Subcommittee for holding this hearing and look forward to answering any questions you may have.

Prepared Statement of Hon. Harry Teague

Madam Chairwoman and Ranking Member Boozman and fellow Subcommittee Members, thank you for allowing me to have the opportunity to speak on behalf of H.R. 2180. I believe that this bill represents something that we can always use more of in government, a little common sense. In this case, that common sense is a simple

fix that will ensure that disabled veterans will be able to receive assistance that they should have had all along.

H.R. 2180 would amend Title 38 of the United States Code to waive VA home loan fees for certain veterans with service-connected disabilities that have been recalled to active service.

As you all know, the Department of Veterans Affairs underwrites home loans that are made by private lenders to eligible veterans. The benefits of having a VA home loan are many. For example, the buyer is informed of reasonable value, the interest rate is negotiable, and there are no mortgage insurance premiums. Veterans also have the right to prepay without penalty, and the VA provides assistance to veteran borrowers in default due to financial difficulty.

Additionally, under Title 38, section 3729, many disabled veterans and some injured soldiers qualify for a waiver of home loan fees. Unfortunately, however, a different part of the law, Title 38, section 5304, prevents an eligible servicemember or veteran from receiving a home loan funding fee waiver if the veteran is called up back to active duty service. My bill amends Title 38 to close this hole in the Code and allow eligible servicemembers to receive the fee waiver.

Madame Chairwoman, I simply think that it is wrong to expect someone who has served their country and been injured as a result of that service be penalized because we as a government are putting them back in uniform. This is an oversight in the law that must be repaired, and I thank the Committee for giving my bill a hearing.

The costs of this bill would be very minimal, and it complies with PAY-GO rules. H.R. 2180 represents a common-sense solution to a problem that I do not think anyone anticipated. I believe that when the Congress established the VA Home loan program they had the best of intentions and created a wonderful opportunity for thousands of veterans that simply want their part of the American dream. With this bill we can correct an oversight that will help even more veterans along the way.

I would like to take this time to thank the staff Members of the Economic Opportunity Subcommittee who lent their expertise during the drafting of this bill, and I thank Chairwoman Herseth-Sandlin and Ranking Member Boozman for the opportunity to advance this bill. This concludes my testimony and I am happy to answer any questions you may have regarding H.R. 2180.

Prepared Statement of Hon. Mike Coffman, a Representative in Congress from the State of Colorado

Purpose of Legislation: This bill would amend the Uniformed Services Employment and Reemployment Rights Act 1994 (USERRA) to authorize the Secretary of Defense to include Full Time National Guard Duty for possible exemption from the USERRA 5-year limit on service. The Secretary of Defense would be authorized to exempt National Guard service supporting critical homeland defense missions or other missions as deemed appropriate. Since USERRA already authorizes exemptions for service supporting critical active duty missions, this amendment would simply correct a disparity in the treatment of National Guard members.

Background: Currently, certain types of active duty service are exempted from the 5-year reemployment limit under the Uniformed Services Employment and Reemployment Rights Act 1994 (USERRA). These exemptions cover service during a time of war or national emergency, support of missions where others have been ordered to duty under an involuntary call-up authority, and for other critical missions or requirements.

After the events of September 11, 2001, voluntary active duty in support of Operation Noble Eagle (ONE) and Operation Enduring Freedom (OEF) were exempted from the USERRA 5-year limit on reemployment. However, full-time National Guard duty performed under Title 32 is not covered under those exemptions.

As part of the new operational reserve construct, National Guard personnel will be used in ever-increasing numbers to support certain operational requirements while serving in a Title 32, full-time National Guard duty status. Indeed, section 512 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375) added a new chapter 9 to Title 32 to authorize this type of service. Despite this fact, there is no current authority under USERRA to exempt this type of National Guard service.

Examples of National Guard employment when such a USERRA exemption might be appropriate include airport security following the terrorist attacks of September 11th, the southwest border security mission, Hurricane Katrina disaster response,

and the Air Sovereignty Alert (ASA) /Combat Air Patrol missions defending the United States from air attacks. As we continue to pursue the Global War on Terror, and the National Guard continues to be utilized at an extremely high rate, even more of these missions may identify themselves.

Conclusion: If the National Guard Employment Protection Act of 2009 is not passed, National Guard members may be put into a position where they are forced to choose whether they support a critical mission, such as Katrina or a mission in support of the Global War on Terror, or return to work with their civilian employers. This is already starting to occur, especially to Air National Guardsmen doing the Air Sovereignty Alert mission, like those at the Like their counterparts supporting critical active duty missions, they should not be forced to make the choice of whether to keep their civilian jobs or support critical national security missions.

The lack of a USERRA exemption for Title 32 Federal full-time National Guard duty is a clear disparity that needs to be addressed. The National Guard Employment Protection Act of 2009 will close this loophole and protect our citizen soldiers. This legislation is fully supported by the National Guard Association of the United States (NGAUS) and the Enlisted Guard Association of the United States (EANGUS).

Chairwoman Herseth Sandlin, Ranking Member Boozman, distinguished representatives of our Nation's Veterans' Service Organizations, thank you for the opportunity to be here to address your Subcommittee on an issue that seriously impacts our national Guardsmen. Today, I am proud to appear before this Subcommittee in support of a critical piece of legislation: The National Guard Employment Protection Act of 2009.

At no time in America's history has the National Guard played such a critical role in the defense and security of our homeland. They also serve as full partners in the continuing War on Terror. According to the latest figures available from the Congressional Research Service, since September 11th over 299,177 Army and Air National Guardsmen have been mobilized. Yet at the same time, the National Guard has continued its critical role in homeland security, homeland defense, emergency preparedness, and disaster response. Through its effort and expanding role, the National Guard has more than earned the right to be one of the highest priorities of the Department of Defense and the Congress.

The National Guard's operations tempo has increased exponentially since September 11th, and the Federal duties they have been charged with have created a unique situation. Previously, National Guardsmen were either called up or mobilized to perform Federal missions in Title 10 active duty status, or they were in Title 32 State or training status. Yet after September 11th, it became increasingly apparent that there needed to be a mechanism to allow the National Guard to perform Federal missions in Title 32 status. This created a new, Federal Title 32 duty status from the traditional Title 32 training.

Unified State and Federal cooperative employment of the National Guard provides a uniquely powerful tool to address domestic security needs. Some examples of this type of Federal Title 32 duty are Air Sovereignty Alerts (ASA), which provides air defense for our Nation, airport security, operations in support of natural disasters such as Hurricane Katrina, fighting wildfires, and border security to name a critical few.

More and more often, we see operations in which the Federal government provides the funds and the State Governors provide the authority and control to execute operations to secure the homeland. This means that a greater number of National Guardsmen are performing such duties, which unfortunately are not currently covered under *Uniformed Services Employment and Reemployment Rights Act 1994 (USERRA)*. Prior to September 11th, there were essentially no operational missions conducted by the National Guard under Title 32, so there was no loophole in the protection afforded National Guardsmen under USERRA.

To address the loophole created by the new Title 32 Federal duty status, I introduced H.R.1879, the National Guard Employment Protection Act of 2009, with Congresswoman Madeleine Bordallo of Guam as my Democratic original cosponsor. The bill would amend the USERRA to authorize the Secretary of Defense to include Full-Time National Guard Duty for possible exemption from the 5-year limit on service. USERRA already authorizes exemptions for service supporting critical Federal active duty missions, this amendment would simply correct a disparity in the treatment of National Guard members.

It is essential that we make sure all of our Nation's heroes are given adequate opportunity to support Federal missions, without it affecting their civilian jobs.

Whether they are protecting our skies, helping save lives during a national disaster such as Hurricane Katrina, enhancing our border security, or doing another Federal mission, *there is no doubt that the National Guard is an essential part of the Total Force*. America's National Guardsmen should never be put in a position where they are forced to choose whether to support a critical mission, such as a mission in support of the Global War on Terror, or return to work with their civilian employers in order to protect their jobs.

Eight years into fighting the Global War on Terror, we are starting to see a small but increasing number of National Guardsmen bumping up against their 5-year USERRA protection for their civilian jobs. According to statistics provided by the National Guard Bureau, since September 11th, 6,984 of our citizen soldiers have been called up to perform Federal missions under Title 32. There are currently 1,719 Guardsmen performing duty under Title 32 orders. The Air National Guard has especially been impacted, particularly those airmen performing the Air Sovereignty Alert mission, such as the 140th Fighter Wing in my home State of Colorado. They are by no means alone in their situation, as this loophole in employment protection affects the entire National Guard.

If the *National Guard Employment Protection Act of 2009* is not passed, National Guard members may be forced to choose between keeping their civilian jobs and serving our Nation. Unfortunately, this is already starting to occur and the problem will likely get worse as people near the current USERRA 5-year job protection limit. The National Guard is performing critical Federal missions under Title 32 and it is essential that this loophole be closed so that we protect those whose service protects us.

This legislation is fully supported by the Enlisted Guard Association of the United States (EANGUS) and the National Guard Association of the United States (NGAUS) and I have enclosed their letters of endorsement for the record. The National Guard Bureau and Department of Defense also favor closing this loophole to protect our National Guardsmen. Our citizen soldiers fight to protect our Nation and our freedom and the very least we can do is protect their rights to serve and also retain livelihood for themselves and their families.

I thank this Subcommittee for its serious consideration of the National Guard Employment Protection Act. I know all the Members of this Subcommittee share my commitment to the National Guard, and therefore strongly urge passage of this legislation.

National Guard Association of the United States
Washington, DC.
March 10, 2009

The Honorable Mike Coffman
House of Representatives
1508 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Coffman:

Thank you for introducing the "National Guard Employment Protection Act of 2009."

The service of our men and women of the National Guard ordered to full-time National Guard duty under Title 32 must be protected by the same reemployment rights under the Uniform Services Employment Reemployment Rights Act (USERRA) as are afforded our members ordered to active duty under Title 10.

Although not readily visible to the American public and media, the men and women of the National Guard ordered to serve on full-time National Guard duty under Title 32 after September 1, 2001 are playing an indispensable role in maintaining the National Guard as a ready operational force in the Global War on Terror. As with the active forces, the sacrifice of these men and women involves spending extended periods away from civilian occupations. Upon completion of their duty, they should be protected by the same rights under USERRA as Reserve Component members serving on active duty under Title 10 able to return with certainty to their civilian jobs.

NGAUS strongly supports the “National Guard Employment Protection Act of 2009” now before the 111th Congress, which would establish a national Guard Employment Protection Act that would apply the benefits of USERRA to individuals ordered to full time National Guard duty under section 502(f) of Title 32 on or after September 11, 2001.

Sincerely,

Stephen M. Kopfer
Brigadier General, USAF (Ret.)
President

Enlisted Association of the National Guard of the United States
Alexandria, VA
March 17, 2009

The Honorable Mike Coffman
United States House of Representatives
Washington DC 20515

Dear Representative Coffman:

The Enlisted Association of the National Guard of the United States (EANGUS) is the only military service association that represents the interests of every enlisted soldier and airmen in the Army and Air National Guard. With a constituency base of over 414,000 soldiers and airmen, their families, and a large retiree membership, EANGUS engages Capitol Hill on behalf of courageous Guard persons across this Nation.

On behalf of EANGUS, I'd like to offer our letter of support for your legislation to amend Title 38 of the United States Code, the “National Guard Employment Protection Act of 2009.”

The National Guard employees thousands of its members every day in a Title 32 full-time duty status. In essence, it is the backbone of the readiness of our units as they prepare to be mobilized and deploy to fulfill active duty missions through the world, and especially in Iraq, Afghanistan, and Djibouti.

Codifying their reemployment rights as they serve in these full-time National Guard tours of active duty is just the right thing to do, and import now that the National Guard has transitioned into an operational reserve. Further, it helps in the fulfillment of National Guard empowerment, the beginnings of which were passed into law (Public Law 110–181) in January 2008.

Thank you for your continued support of our military and veterans. If our association can be of further help, feel free to contact our Legislative Director, SGM (Ret) Frank Yoakum, at 703–519–3846 x22.

Working for America's Best!

MSG Michael P. Cline, USA (Ret.)
Executive Director

**Prepared Statement of Richard Daley, Associate Legislation Director,
Paralyzed Veterans of America**

Chairwoman Herseth Sandlin, Ranking Member Boozman, Members of the Subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to testify today on the various bills that have been introduced. We appreciate the efforts of this Subcommittee to address the different needs of the men and women who are currently serving in Iraq and Afghanistan and those men and women who served during past conflicts.

H.R. 1037

PVA supports H.R. 1037. This legislation will establish a pilot program that will expand the current scope of the work-study program that is available under Title 38, United States Code, section 3485. This work-study program is important for veterans pursuing their education while maintaining other financial responsibilities that accompany the role of being an adult member of the community and a student at the same time. This legislation would create a 5-year pilot program for on-cam-

pus work-study positions that may include work in academic departments serving as tutors, research assistants, teaching assistants, and lab assistants or other positions in student services which include work in career centers and financial aid, campus orientation, cashiers, admissions, records, and registration offices. This pilot program will broaden the scope of positions available for the student veteran as it opens up the employment opportunities to equal the existing work-study positions available on campus through other programs. We hope this program will prove to be successful and become another option for the veteran before the 5 year expiration date of the program.

H.R. 1098, the “Veterans’ Worker Retaining Act of 2009”

PVA supports H.R. 1098. This legislation will increase the amount of educational assistance for veterans pursuing internships, or on-the-job-training. This benefit can help a significant number of veterans that had a military occupation that did not transfer to the civilian job market, or veterans that may need additional training to convert their job skills to an employer’s needs. This could be another tool for the Department of Labor’s Disabled Veterans’ Outreach Program (DVOP) and Local Veterans’ Employment Representatives (LVER) as they work in their communities to explore and collaborate with employers to find suitable employment for veterans.

H.R. 1168, the “Veterans’ Retraining Act of 2009”

Unemployment is a problem among Iraq and Afghanistan veterans today. The downturn in the economy has been harder on the employment outlook for this group than the general public. As of March, the jobless rate for Iraq and Afghanistan veterans rose to 11.2 percent, or one out of every nine are unemployed. The current economic situation can account for part of this unemployment level, but it can also be attributed to service men and women leaving the military after years of performing a task that ultimately is not transferable to the civilian workforce. H.R. 1168 can help veterans as they pursue employment opportunities that require some re-training. However, we believe this legislation could apply to more employment situations if the maximum training assistance allowed was extended to 12 months, instead of the 6 months as proposed in the legislation. Otherwise, PVA supports this legislation.

H.R. 1172

PVA supports H.R. 1172. This legislation directs the VA to include on its Internet Web site a list of organizations that provide scholarships to veterans and their survivors. Most new veterans receive and communicate information through the Internet. Many new veterans rarely visit a public or college library, but most may have logged onto the Internet in the past 24 hours. Providing a list of organizations that offer scholarships to veterans and their survivors is an excellent idea. This initiative would seem to support the idea of greater outreach that PVA and all other veterans’ service organizations have been advocating for the VA to conduct.

H.R. 1821, the “Equity for Injured Veterans Act of 2009”

PVA supports H.R. 1821, a bill that would extend the period of eligibility for training and rehabilitation through the VA from the current 12 years, to 15 years. This would be helpful for veterans that must undergo a multi-year medical rehabilitation because of their service-connected injury. A veteran that has suffered a spinal cord injury, such as quadriplegia, could require years of rehabilitation before he or she is physically and psychologically ready to consider preparation for employment.

This legislation also extends the subsistence allowance for a period of 6 months. Moreover, it includes a provision that provides for child care for the veteran who is the sole caretaker of a child while participating in a vocational rehabilitation program. Although this benefit seems like an insignificant addition to the benefits available, it could be the one component of the veteran’s rehabilitation that determines the success or failure of that veteran’s rehabilitation.

H.R. 1879, the “National Guard Employment Protection Act of 2009”

PVA also supports H.R. 1879. This legislation will close a loophole that exists in the current protection under the Uniformed Services Employment and Reemployment Rights Act 1994 (USERRA) for employment for National Guard veterans when they return from active duty. A new activation status under Title 32, United States Code, does not protect National Guard members when activated to perform certain

functions for national security. This legislation will include these National Guard members under the employment protections that exist for other veterans.

H.R. 2180

The proposed legislation, H.R. 2180, would amend Title 38, United States Code, to waive housing loan fees for certain veterans with service-connected disabilities called to active service. Originally a veteran could qualify for the housing loan fees waiver because of their service-connected disability. Because that veteran is called back to duty, and accepts the responsibility to continue serving their country, the veteran loses their waiver. This legislation will correct this deficiency and help many disabled veterans.

Chairwoman Herseth Sandlin, Ranking Member Boozman, Members of the Committee, I would like to thank you again for this opportunity to express our concerns on these important issues. I would be happy to answer any questions that you may have.

Prepared Statement of John L. Wilson, Associate National Legislative Director, Disabled American Veterans

Madam Chairwoman and Members of the Subcommittee:

On behalf of the 1.2 million members of the Disabled American Veterans (DAV), I am honored to present this testimony to address various bills before the Subcommittee today. In accordance with our congressional charter, the DAV's mission is to "advance the interests, and work for the betterment, of all wounded, injured, and disabled American veterans." We are therefore pleased to support various measures insofar as they fall within that scope.

H.R. 1037

Congresswoman Herseth Sandlin introduced the Pilot Work Study Programs for Veterans Act of 2009 in February 2009, to direct the Secretary of Veterans Affairs to conduct a 5-year pilot project to test the feasibility and advisability of expanding the scope of certain qualifying work-study activities under title 38, United States Code. The pilot program would consider the work-study positions appropriate to academia, such as tutors or research, teaching, and lab assistants and in student services facilities positions in career centers and financial aid, campus orientation, cashiers, admissions, records, and registration offices. Regulations would be formulated by the Department to carry out the pilot project, including regulations providing for the supervision of work-study positions.

The DAV has no resolution on this issue. Additionally, this legislation is outside the scope of the DAV's mission. We nonetheless have no opposition to its favorable consideration.

H.R. 1098

Congressman Perriello introduced the Veterans' Worker Retraining Act of 2009 on February 13, 2009, to amend title 38, United States Code, to increase the amount of educational assistance payable by the Secretary of Veterans Affairs to certain individuals pursuing internships or on-job training.

Although the DAV has no resolution on this issue, we support this legislation as it fits with one of our principles, which is vocational rehabilitation and/or employment to help disabled veterans prepare for and obtain gainful employment. An increase in the amounts of education assistance, given the economic downturn and the pace of inflation which has diminished the effectiveness of this program, is welcomed for those using the Montgomery GI Bill, Post-Vietnam Era Veterans Educational Assistance, Survivors and Dependents Educational Assistance or Selected Reserve Montgomery GI Bill.

H.R. 1168

Congressman Boozman introduced the Veterans' *Worker Retraining Act of 2009* on February 25, 2009, to amend chapter 42 of title 38, United States Code, to provide certain veterans with employment training assistance.

This bill directs the Secretary of Labor to pay to each participating veteran a monthly training assistance allowance for each month a veteran is enrolled in an employment and training program that teaches a skill in demand, as determined by the Secretary. The amount of the training assistance allowance is the amount

equal to the monthly amount of the basic allowance for housing for a member of the Armed Forces with dependents in E-5 pay grade.

A participating veteran would be entitled to training assistance for not more than 6 months during each 10-year period beginning on the date in which the covered veteran first receives training allowance. In addition to the training assistance allowance, a participating veteran may receive up to \$5,000 for moving expenses related to the veteran's receipt of training.

A participating veteran would be defined as a veteran who is unemployed for not less than four consecutive months at the time of applying for training assistance under this section; able to successfully complete the employment and training program and ineligible for education or training assistance under this title.

The DAV has no resolution on this issue. We nonetheless have no opposition to its favorable consideration as an increase in the monthly training assistance allowance along with the inclusion of up to \$5,000 for moving expenses is welcomed, given the economic downturn and its impact on so many veterans who have given so much for our country.

H.R. 1172

Congressman Boozman introduced legislation in February 2009 to direct the Secretary of Veterans Affairs to include on the Web site of the Department of Veterans Affairs (VA) a list of organizations that provide scholarships to veterans and their survivors.

Although the DAV has no resolution on this issue, we are not opposed to the favorable consideration of this legislation.

H.R. 1821

Congressman Filner introduced legislation in March 2009 to amend chapter 31 of title 38, United States Code, to increase vocational rehabilitation and employment assistance.

Specifically, it increases the eligibility period from 12 years to 15 years. It also increases the allowance from 2 months to 6 months and allows those participating in a vocational rehabilitation program under this chapter to elect to pursue an approved program of education and receive assistance in monthly amounts to the extent that a veteran has remaining eligibility for and entitlement to assistance under this section, if the Secretary approves the educational, professional, or vocational objective chosen by such veteran for such program.

The monthly amounts a veteran may receive are the amounts equal to the monthly amounts the veteran is eligible to receive for educational assistance of this title, including the monthly stipend. Reimbursement of child care assistance for single parents is also provided for veterans who are the sole caretaker of a child up to \$2,000 per month for each month the veteran is participating.

DAV Resolution No. 246 seeks legislation to allow an extension of vocational rehabilitation in excess of the 12 year limitation. This bill extends the current eligibility from 12 to 15 years and modifies exceptions for extensions. Therefore, the DAV supports the favorable consideration of this legislation.

H.R. 1879

Congressman Coffman introduced the *National Guard Employment Protection Act of 2009* in April 2009, to amend title 38, United States Code, to provide for employment and reemployment rights for certain individuals ordered to full-time National Guard duty.

The DAV has no resolution on this issue. Additionally, this legislation is outside the scope of the DAV's mission. We nonetheless have no opposition to its favorable consideration.

H.R. 2180

Congressman Teague introduced legislation in April 2009, to amend title 38, United States Code, to waive housing loan fees for certain veterans with service-connected disabilities called to active service.

This legislation, although focused on veterans called to active duty as part of the Guard or Reserve and have to temporarily forgo receiving disability compensation, readily applies to DAV Resolution No. 015, which calls for the repeal of all funding fees for VA home loans. Our resolution notes that in 1990, Congress imposed funding fees upon VA guaranteed home loans under budget reconciliation provisions as a temporary deficit reduction measure and these fees are now a regular feature of

all VA home loans, except for disabled veterans and un-remarried surviving spouses. These fees were increased, and at the present time may well continue so for the next 7 years. Their express purpose is straightforward; a way to generate additional revenue to cover the costs of improvements and cost-of-living adjustments in other veterans' programs. We believe that veterans have already paid a high price for freedom and such benefits should not be borne on the back of their patriotism.

The DAV has urged Congress to refrain from further increasing the VA Home Loan funding fees and to repeal these fees as soon as possible. Congressman Teague is taking a step in the right direction and is to be commended. In these difficult economic times, such legislative action goes far in reducing the burden felt by so many, particularly those who joined the ranks of the military.

Madam Chairwoman, this concludes my testimony on behalf of DAV. We hope you will consider our recommendations. I would be happy to answer any questions Members of the Subcommittee might have.

**Prepared Statement of Mark Seavey, Assistant Director, National
Legislative Commission, American Legion**

EXECUTIVE SUMMARY

The American Legion supports H.R. 1037. The American Legion believes this work study program would provide needed job skills and experience for veterans so they transition seamlessly and obtain a quality-of-life after honorably serving the United States. The American Legion supports H.R. 1098. The American Legion believes the increase in pay within the Montgomery GI Bill, Post-Vietnam Era Veterans Educational Assistance, Survivors and Dependents Educational Assistance, and Selected Reserve Montgomery GI Bill, will greatly benefit veterans who are pursuing internships or on-the-job training with necessary income that will provide for their daily and living expenses. The American Legion supports H.R. 1168. This bill will provide veterans, especially recently separated veterans who are mission-oriented, trainable, drug-free, and have great work ethic, with training that will prepare them to obtain gainful employment so they can financially provide for themselves and their families. The American Legion supports H.R. 1172. This additional scholarship information on VA's Web site would provide veterans and their survivors with resources that will assist them in their educational endeavors and ultimately help them to smoothly transition from active duty to the civilian workforce.

The American Legion supports H.R. 1821. This legislation will provide veterans with increased allowances more closely aligned to financial benefits under the Post 9/11 GI Bill. The American Legion believes this legislation will greatly assist and encourage eligible veterans to remain in vocational rehabilitation programs, search for employment, and assist with living expenses. Additionally, this bill will provide reimbursements for child care to veterans who are participating in a vocational rehabilitation program and/or the sole caretaker of a child (or children). The American Legion supports H.R. 1879. Today, Reserve forces are operational forces and they fight side-by-side active duty forces bringing their unique skills and abilities to the modern battlefield. The American Legion believes the reemployment benefits due these National Guard warriors should be changed to reflect the new military reality. The American Legion supports this provision and the idea that all veterans be treated equally regardless of their National Guard status in that an individual who is called to duty and serves honorably should receive these kinds of benefits. The American Legion supports H.R. 2180. The American Legion supports this initiative to waive housing loans fees for these service-disabled veterans, so they and their families can move into quality housing and use these moneys for other necessary items and/or projects.

Madam Chairwoman, Ranking Member Boozman, and Members of the Subcommittee:

Thank you for this opportunity to present The American Legion's views on the several pieces of legislation being considered by the Subcommittee today. The American Legion commends the Subcommittee for holding a hearing to discuss these very important and timely issues.

H.R. 1037, Pilot College Work Study Programs for Veterans Act of 2009, seeks to direct the Secretary of Veterans Affairs to conduct a 5-year pilot project to test the feasibility and advisability of expanding the scope of certain qualifying work-study activities under title 38, United States Code. The American Legion sup-

ports this pilot program. According to DOL the present unemployment rate for recently discharged veterans is an alarming 20 percent, and one out of every four veterans who do find employment earn less than \$25,000 per year. Unfortunately, many of the thousands of servicemembers who are currently leaving the service are from the combat arms and non-skilled professions that are not readily transferable to the civilian labor market. The American Legion believes this work study program would provide needed job skills and experience for veterans so they transition seamlessly and obtain a quality-of-life after honorably serving the United States.

H.R. 1098, seeks to amend title 38, United States Code, to increase the amount of educational assistance payable by the Secretary of Veterans Affairs to certain individuals pursuing internships or on-the-job training. The American Legion supports this legislation. The American Legion believes the increase in pay within the Montgomery GI Bill, Post-Vietnam Era Veterans Educational Assistance, Survivors and Dependents Educational Assistance, and Selected Reserve Montgomery GI Bill, will greatly benefit veterans who are pursuing internships or on-the-job training with necessary income that will provide for their daily and living expenses.

H.R. 1168, would amend chapter 42 of title 38, United States Code, to provide certain veterans with employment training assistance. The American Legion supports this legislation. This bill will provide veterans, especially recently separated veterans who are mission-oriented, trainable, drug-free, and have great work ethic, with training that will prepare them to obtain gainful employment so they can financially provide for themselves and their families.

H.R. 1172, seeks to direct the Secretary of Veterans Affairs to include on the Internet Web site of the Department of Veterans Affairs a list of organizations that provide scholarships to veterans and their survivors. The American Legion supports this action. This additional scholarship information on VA's Web site would provide veterans and their survivors with resources that will assist them in their educational endeavors and ultimately help them to smoothly transition from active duty to the civilian workforce.

H.R. 1821, amends chapter 31 of title 38, United States Code, to increase vocational rehabilitation and employment assistance, and for other purposes. The American Legion supports the increase in pay for eligible veterans. This legislation will provide veterans with increased allowances more closely aligned to financial benefits under the Post 9/11 GI Bill. The American Legion believes this legislation will greatly assist and encourage eligible veterans to remain in vocational rehabilitation programs, search for employment, and assist with living expenses. Additionally, this bill will provide reimbursements for child care to veterans who are participating in a vocational rehabilitation program and/or the sole caretaker of a child (or children).

H.R. 1879, seeks to amend title 38, United States Code, to provide for employment and reemployment rights for certain individuals ordered to full-time National Guard duty. Today, Reserve forces are operational forces and they fight side-by-side active duty forces bringing their unique skills and abilities to the modern battlefield. The American Legion believes the reemployment benefits due these National Guard warriors should be changed to reflect the new military reality. The American Legion supports this provision and the idea that all veterans be treated equally regardless of their National Guard status in that an individual who is called to duty and serves honorably should receive these kinds of benefits.

H.R. 2180, amends title 38, United States Code, to waive housing loan fees for certain veterans with service-connected disabilities called to active service. The American Legion supports this initiative to waive housing loans fees for these service-disabled veterans, so they and their families can move into quality housing and use these moneys for other necessary items and/or projects.

The American Legion appreciates the opportunity to present this statement for the record. Again, thank you Madam Chairwoman, Ranking Member Boozman, and Members of the Subcommittee for allowing The American Legion to present its views on these very important issues.

**Prepared Statement of Raymond C. Kelley, National Legislative Director,
American Veterans (AMVETS)**

Madam Chairwoman, Ranking Member Boozman, and Members of the Subcommittee, thank you for the opportunity to appear before you today to provide AMVETS' views and discuss pending legislation on education and employment opportunities for veterans. AMVETS is pleased to see this Subcommittee's commitment to invest in the education and training of our veterans. Multiple studies have shown that young veterans are more likely to be unemployed or underemployed

than their civilian counterparts, and it is the responsibility of each of us here today to ensure that our veterans are given every opportunity to succeed. Passing the legislation we are discussing today will only add to the prospect of educating, training and ensuring reemployment of the very few who have chosen to defend our Nation and way of life.

The "Pilot College Work Study Programs for Veterans Act of 2009" will greatly expand the scope of qualifying work-study for veterans. Currently, title 38, section 3485, limits the work study positions to areas that provide services for Veterans Affairs. This policy greatly reduces the type and availability of work and the locations in which veterans can supplement their income. By expanding this program, veterans will benefit by qualifying for jobs on the campus in which they attend, making it much easier to schedule work hours around class commitments. With a VA expansion of this program to include campus jobs, VA will also offset the cost the college will pay to work-study veterans. This will offer cost-saving incentives to colleges to hire veterans for these positions. AMVETS strongly supports H.R. 1037.

On-the-job training and internships are a great way for pre-entry level job seekers to gain real world experience in a field, build their resume and network with companies that hire entry-level employees. AMVETS supports H.R. 1098, the "Veterans' Work Retraining Act of 2009." Increasing the assistance amount for veterans who are pursuing internships or on-job training is important in helping veterans who lack specific work experience in an occupational field. Many internships and on-the-job training opportunities are unpaid positions or only provide a small stipend. Also, many of these opportunities prevent participants from working other part-time jobs to sustain themselves. Making these humble increases to the benefit will increase the ability of veterans to find and secure career track training tools without risking their ability to provide for themselves and their families while they transition from military service to civilian life. Without these opportunities, veterans will continue to be underemployed or unemployed at alarming rates.

The Department of Labor has identified 14 sectors that qualify as "high growth" fields. These sectors include high-tech fields such as biotechnology, aerospace, and geospatial technology as well as fields in healthcare, advanced manufacturing and energy. A 2006 GAO report found that "roughly 700,000 veterans have been unemployed in recent months, a figure that could swell considerably with the anticipated increase in the numbers of people leaving active duty."¹ Providing a living stipend that is equal to Chapter 33 entitlements for unemployed veterans who could be trained in any of these 14 sectors will ensure that veterans can sustain themselves and their families while they are being trained. AMVETS supports the spirit of H.R. 1168, but would recommend that the duration of payment be extended to cover the entire length of any approved training course. This will ensure two things: first, that veterans will have the financial means to complete the training if it lasts longer than 6 months, and second, that veterans will not be limited to career fields that have training periods that last 6 months or less.

AMVETS supports H.R. 1172, the "Pat Tillman Veteran's Scholarship Initiative." A lot of scholarship information can be found on VA's Web site, but there is no single page that houses this information. One must conduct a search to find scholarship information. AMVETS and many other organizations provide scholarships to dependents of active duty servicemembers and veterans. Therefore, AMVETS requests this bill be amended to add dependents and not just survivors. AMVETS also suggests that a vetting process occur to ensure that organizations that wish to post their scholarships meet the spirit of this bill. Also, many states have veterans' benefits that provide educational assistance to veterans and their family members, providing a link to the National Association of State Directors of Veterans Affairs will provide easy access to these state veterans' benefits.

H.R. 1879, the "National Guard Employment Protection Act of 2009", closes a loophole that excluded USERRA protection for National Guard members who are called to active duty for 'federal duty' under title 32 for such things as border protection. It is important to provide employment protection for all of our servicemembers who are called to active duty, regardless of where they might serve. AMVETS wholly supports this bill.

Vocational Rehabilitation and Employment (VR&E) benefits continue to have low rehabilitation rates. While there are multiple reasons for the low success rate of VR&E, AMVETS believes one of the overlying causes of veterans discontinuing their program is financial. Supporting themselves and possibly a family while in a rehabilitation program is tough at best. Providing an increased living stipend that is equal to chapter 33 benefits, and reimbursing childcare cost for qualifying veterans will greatly reduce the financial stress associated with participation in VR&E.

¹ GAO-06-176 December 30, 2005.

AMVETS appreciates the extension of the period of eligibility under section 3103(a) of title 38, to 15 years, but as a member of the *Independent Budget* AMVETS believes there should be no delimiting period for rehabilitation. In this respect, VR&E should not be compared to educational benefits. VR&E is in place to provide independent living and employment training for service-connected disabled veterans. There is no delimiting period for disabilities and there should not be one for the service that is in place to ensure our wounded and injured veterans can gain and maintain meaningful employment. Also, AMVETS, in partnership with the *Independent Budget*, has concerns about VA's Performance and Accountability Reports that are submitted under title 31. In 2006 VA reported a 73 percent rehabilitation rate, when in reality there was only an 18 percent success rate. The disparity in these rates is caused by VA not including veterans who discontinue the program without implementing a written rehabilitation plan. AMVETS requests that VA provide more accurate accounting of the program to ensure budget and resource decisions are consistent with real needs. AMVETS generally supports H.R. 1821, with the exception of maintaining a delimiting period.

AMVETS supports H.R. 2180. There are many members of the Guard and reserves who are rated by VA for a disability and continue to serve and deploy in support of military operations. Their disability compensation is offset by their military pay. Amending section 3729(c)(1) of title 38 will close a loophole that could cause these veterans to pay a loan fee.

Madam Chairwoman, thank you again for providing AMVETS the opportunity to present our views on these key pieces of legislation. This concludes my testimony and I will be happy to answer any questions you may have.

Prepared Statement of Corporal Wade J. Spann, USMC, Alumni, Wounded Warrior Project

Chairwoman Herseth Sandlin, Ranking Member Boozman and Members of the Subcommittee:

Thank you for inviting Wounded Warrior Project (WWP) to offer our views on these bills related to the economic empowerment of our Nation's veterans. Our organization has staff throughout the Nation assisting wounded warriors on a daily basis. This direct contact gives Wounded Warrior Project a unique perspective on the needs of wounded warriors as they reintegrate back into their homes, communities, educational institutions, job-training programs, and ultimately, the civilian workplace. Our goal is to ensure that this is the most successful, well-adjusted generation of veterans in our Nation's history. This perspective provides the framework for our testimony.

While each of the bills under consideration reflects the thoughtful efforts by their sponsors to assist veterans as they transition to the civilian workplace, one in particular, H.R. 1821, addresses a Wounded Warrior Project signature issue. We support this legislation.

H.R. 1821

Wounded Warrior Project offered testimony before this Subcommittee on April 2, 2009 regarding the current effectiveness of the Vocational Rehabilitation and Employment (VR&E) program. In that testimony, we stated our position that wounded warriors have earned their GI bill benefits by virtue of their service but have earned their VR&E benefits by virtue of their disability. We believe it essential that VR&E offer more than simply a repackaged version of the new GI bill to disabled veterans, and that VR&E benefits should be additive rather than alternative benefits. Additionally, we cited a number of improvements to the VR&E program which would help make the VR&E program the 'crown jewel' of VA benefits programs. Chairman Bob Filner's bill, H.R. 1821 takes an important step in that direction.

To recap Wounded Warrior's recommendations, the VR&E subsistence rate must be brought into line with the new GI Bill, it must apply to the three employment tracks as well as the education track, it must be adjusted for the cost of living in each community, and it must extend beyond completion of the VR&E program of training.

H.R. 1821 addresses some of these urgently needed improvements. As we understand the legislation's provisions, under H.R. 1821, any disabled veteran who enters the VR&E education track will be offered the option of receiving monthly educational assistance and monthly subsistence payments at either the VR&E rate or the new GI Bill rate. If the veteran chooses the chapter 33, or new GI Bill rate,

he or she is then bound by all of the chapter 33 educational assistance limitations, including the cap on tuition and fees. In such a case, the higher chapter 33 subsistence levels would be paid. These payments would be based on the E-5 with dependents housing rate for the ZIP code where the educational institution is located. Individuals choosing the VR&E education track would have no cap on their educational assistance, but would receive the current VR&E subsistence payments which Wounded Warrior Project considers inadequate.

Wounded Warrior Project supports H.R. 1821 as an interim measure to provide VR&E enrollees access to new GI Bill subsistence levels. However, the price paid for the higher subsistence levels under chapter 33 is a cap on educational benefits. While the bill represents a significant improvement, it still falls short of the optimum solution, an increase in VR&E subsistence payments to at least chapter 33 levels within the structure of the current VR&E program without placing a cap on overall education assistance.

Regarding the extended subsistence payments, Wounded Warrior Project supports the extension of monthly subsistence payments from two to 6 months for all VR&E tracks following the completion of approved training within each track. This improvement is long overdue and reflects a much more realistic transition period from education and training to fully employed, particularly in today's challenging job environment.

Wounded Warrior Project also commends Chairman Filner's initiative to cover child care expenses within the VR&E program up to \$2,000 per month. However, the provision is unnecessarily limited to apply to only sole caretakers of children. Disabled veterans—particularly severely disabled veterans—are often not sole caretakers. Child care expenses should be reimbursed for all VR&E enrollees. Further, a flat rate for child care, while an improvement, seems cumbersome. A per child rate, with a cost-of-living adjustment, would be more appropriate and would provide much greater piece of mind for many VR&E enrollees and their families.

We support the extension of the VR&E eligibility period from 12 to 15 months, and, though they are limited in scope, we also support the outcomes reporting requirements specified by the bill. Expanding these measurements to include average salary levels attained, continued employment at the one-, two-, and 5-year post-completion points, and a number of other longitudinal measures would greatly enhance the effectiveness of VR&E programs.

While we commend Chairman Filner for addressing the urgent need to bring VR&E subsistence levels in line with the new GI Bill, we note that H.R. 1821 does not address several improvements we addressed in previous testimony which we feel are necessary to properly revitalize the VR&E program. For example, H.R. 1821 has no provision for the reimbursement of other than child care expenses such as job search costs, a professional clothing allowance, and travel costs for the interview process. The bill has no provision for improved VA outreach to better inform servicemembers about the benefits of the VR&E program, and it does not address the Independent Living program at all. These changes must be considered in the future to enable the VR&E program to reach its full potential in support of disabled veterans.

Other Legislation

Wounded Warrior Project offers the following comments on other legislation being considered today:

H.R. 1037. A bill directing VA to conduct a 5-year pilot project to test the feasibility of expanding the scope of work-study activities.

While the empowerment aspects of the proposal seem noteworthy, the bill does not provide sufficient information, as currently written, to justify the expense. Wounded Warrior Project would like to see a more detailed description of the pilot project before supporting the bill.

H.R. 1098. A bill increasing the amount of assistance for individuals covered under the Montgomery GI Bill.

While Wounded Warrior Project is fully supportive of increased benefits for this population of veterans, the bill does not directly affect our constituency.

H.R. 1168. A bill directing the Secretary of Labor to provide employment training assistance to unemployed veterans.

While its intent is commendable, this legislation comes with a \$100 million price tag. Wounded Warrior Project is concerned about the possible impact on other programs assisting servicemembers and veterans.

H.R. 1172. A bill directing VA to include on its Web site a list, with links, of organizations that provide scholarships to veterans and their families.

Wounded Warrior Project supports the intent of this legislation which seems simple and straightforward. We defer to VA on possible issues related to this legislation.

H.R. 1879. A bill to amend title 38 to provide for employment and reemployment rights for certain individuals ordered to full-time National Guard duty.

This bill appears to fill a gap in previously passed legislation to include National Guard personnel and, if that interpretation is correct, Wounded Warrior Project supports this bill in principle. However, we defer to VA on possible unintended consequences related to this bill.

H.R. 2180. A bill to waive VA housing loan fees for certain veterans with service-connected disabilities called to active service.

This bill would apply to disabled National Guard and Reserve members called to active duty who, while still temporarily on active duty, apply for a VA home loan. We believe active duty servicemembers should be treated equally while serving on active duty. We believe this bill is unnecessary; however, we do not oppose it.

Thank you, Chairwoman Herseth Sandlin, for the opportunity to address you today. I would be happy to answer any questions or provides responses for the record.

**Prepared Statement of Keith M. Wilson, Director, Education Service,
Veterans Benefits Administration, U.S. Department of Veterans Affairs**

Madam Chairwoman and other Members of the Subcommittee, good afternoon. I am pleased to be here today to provide the Department of Veterans Affairs' (VA) views on pending benefits legislation. I am accompanied today by Mr. John Brizzi of VA's Office of General Counsel.

Two of the bills on the agenda today affect programs or laws administered by the Department of Labor. We respectfully defer to that lead agency, and expect that it will best speak to the following bills: H.R. 1168, the "Veterans Retraining Act of 2009," (providing employment training assistance for unemployed veterans) and H.R. 1879, the "National Guard Employment Protection Act of 2009," (providing for reemployment rights following certain National Guard duty).

H.R. 1037

H.R. 1037, the "Pilot College Work Study Programs for Veterans Act of 2009," would direct VA to conduct a "5-year" pilot project to test the feasibility and advisability of expanding the scope of certain work-study activities for purposes of section 3485(a)(4) of title 38, including work-study positions available on site at educational institutions. These activities may include positions in academic departments, such as tutors and research, teaching, and lab assistants. Positions in the student services area could also be included, such as work in career centers, financial aid departments, admissions, records, and registration offices, and jobs performing campus orientation. VA would issue regulations pertaining to the pilot project and the supervision of the work-study students by appropriate VA personnel.

Although VA supports the intent to expand the authorized work-study activities, we are unable to support the bill. VA does not have the expertise or resources to directly supervise the wide range of activities suggested (i.e. research assistants, lab assistants, tutors, etc.) for positions located in non-VA offices. The success of the current work-study program is largely due to participants performing VA-related functions under the direct supervision of VA.

The bill only provides funding for 4 years, although it refers to a 5-year pilot project—it authorizes appropriations totaling \$40 million for fiscal years 2010 through 2013. Therefore, VA would only administer the pilot through the 4 years that funding is available. In addition, we note that the proposed legislation would generate additional workload for the VA. Thus, VA would need nine additional FTE in order to administer and process the additional work-study contracts. Accordingly, VA estimates that enactment of H.R. 1037 would result in additional GOE costs to the VA of \$531,000 during the first year and \$2.1 million over 4 years.

H.R. 1098

H.R. 1098, the “Veterans’ Worker Re-training Act of 2009,” would increase by 10 percent the full-time monthly institutional rate of educational assistance allowance that is payable for apprenticeship or other on-job training under the Montgomery GI Bill—Active Duty and Selected Reserve programs and the Post-Vietnam Era Veterans Educational Assistance program. It would further increase the educational assistance allowance for such training under the Survivors and Dependents Educational Assistance (DEA) program for the first 6 months of training, from \$574 to \$650; for the second 6 months of training, from \$429 to \$507; and for the third 6 months of training, from \$285 to \$366. The bill would also remove the annual cost-of-living increase for the DEA program. The provisions of H. R. 1098 would be effective on the date of enactment of the Act and the changes to the benefit amounts would be permanent. We note that participation levels would likely increase in the foregoing programs due to the benefit rate increase, but not by a significant margin.

VA is unable to support the enactment of H. R. 1098 at this time because funding for such an increase in these benefits is not included in the administration’s FY 2010 budget. We will provide our estimate of the cost of enactment of this bill for the record.

H.R. 1172

H.R. 1172 would direct VA to include on the Internet Web site of the Department a list of organizations that provide scholarships to veterans and their survivors and a link to the Internet Web site of each such organization. We understand and support the importance of veterans having all available information concerning scholarship programs available to them. However, we are concerned that maintaining such a list on the VA Web site will not necessarily serve our Veteran-students’ best interests. By placing such a list on the VA Web site, students would often assume it is both all-inclusive and a final authority of information on available scholarships. However, VA has no authority to require organizations to notify VA when scholarships are offered or no longer offered. Therefore, the information would routinely be incomplete and/or inaccurate. Additionally, students may also incorrectly assume that VA has an oversight or approval function over the scholarships listed through the Department Web site. Such a list would largely duplicate the information most relevant to students which is normally available through student financial aid offices. We estimate that the cost of H. R. 1172, if enacted, would be insignificant.

H.R. 1821

H.R. 1821, the “Equity for Injured Veterans Act of 2009,” would amend chapter 31 of title 38, United States Code, to extend the basic period of eligibility for use of vocational rehabilitation and employment assistance benefits under that chapter by an additional 3 years—from 12 years to 15 years.

The bill would amend chapter 31 to permit a veteran who is eligible for and entitled to receive assistance under that chapter to elect to pursue an approved program of education and receive assistance in monthly amounts that are equal to monthly amounts payable under new section 3313 of title 38, United States Code (including the monthly stipend provided under section 3313(c)(1)(B)).

This legislation would increase the number of months that subsistence allowance may be paid to veterans receiving employment services under chapter 31—from 2 months to 6 months.

The bill would, pursuant to regulations prescribed by the Secretary, authorize reimbursements of up to \$2,000 per month for childcare for a chapter 31 participant who is the sole caretaker of a child.

H.R. 1821 would also require VA to submit the following documentation in support of the President’s budget for each fiscal year: (1) the percentage of veterans receiving assistance under chapter 31 who became employed; (2) the percentage of veterans receiving assistance under chapter 31 who achieved independence in daily living; and (3) any changes made by the Secretary in measuring or calculating the performance of the Department under chapter 31.

VA supports, in principle, efforts to facilitate successful completion of vocational rehabilitation programs under chapter 31, and we recognize that extending the basic period of eligibility under chapter 31, allowing participants to elect payment under the chapter 33 rate, and authorizing the reimbursement of certain childcare costs incurred by chapter 31 participants will encourage more veterans to continue their rehabilitation programs. However, we cannot support H.R. 1821 at this time. Recent changes to VA education benefits, including the new Post-9/11 GI Bill (chapter 33), may affect chapter 31 participation and completion rates. In addition, as rec-

commended by the Dole-Shalala Commission on Wounded Warriors, VA is currently completing a review of its compensation program that has implications for the vocational rehabilitation program. This changing landscape of comprehensive benefits prevents VA from adequately evaluating the provisions in this bill. In addition, the childcare reimbursement in particular is not tailored to those Veterans who would otherwise forgo rehabilitation in the absence of government-subsidized childcare assistance, since beneficiaries who may have existing childcare options available could also receive reimbursement. VA also cannot support this bill because no funding for such proposals is included in the administration's FY 2010 budget, and because of concerns we have with the bill as drafted. We are also concerned about the type of documentation this bill would require in support of the President's budget. VA currently reports the percentage of veterans who are rehabilitated as the number achieving suitable employment or independent living goals compared to the number of veterans whose cases were closed in either rehabilitated or discontinued status during that same period. VA is able to separate this data to account for those suitably employed versus those achieving independent living. However, VA does not believe that reporting this data as a percentage of those currently receiving assistance is an appropriate measure of program outcomes. Program participants may receive services over a period of several years. Therefore, VA believes that the percentage of successful outcomes based upon those veterans exiting VR&E after having been provided services vs. a snapshot of successful outcomes as a ratio of total program participants is a more accurate measure of program performance.

We estimate that enactment of this bill would result in a benefits cost of \$43.8 million during the first year, nearly \$400 million over 5 years, and \$895.4 million for 10 years.

H.R. 2180

H.R. 2180 would waive housing loan fees for certain veterans with service-connected disabilities called to active service. Under 38 U.S.C. § 3729(c)(1), housing loan fees are currently waived for veterans in receipt of compensation benefits and for those who would be eligible for such benefits if they were not receiving retirement pay. All other recipients of VA-guaranteed loans are required to pay the fee, including those whose compensation benefits are interrupted because they have begun receiving active duty pay. If H.R. 2180 were enacted, disabled veterans would no longer be penalized for being called to active duty and would be granted the same waiver as if they were receiving compensation benefits.

VA supports this proposal. The law, as written, creates an inequity among groups of veterans. Those veterans who have been rated as having a compensable disability, but return to active duty, are precluded from receiving the waiver of the funding fee. However, a veteran who receives a similar disability rating, but does not return to active duty is able to have the funding fee waived.

The number of individuals who serve a tour, receive compensation, and then return to active duty and obtain a VA home loan is extremely small. VA, therefore, estimates that the costs of H. R. 2180, if enacted, would be small.

Madam Chairwoman, this concludes my statement. I would be happy to entertain any questions you or the other Members of the Subcommittee may have.

Prepared Statement of John M. McWilliam, Deputy Assistant Secretary, Veterans' Employment and Training Service, U.S. Department of Labor

Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee:

Thank you for inviting us today to testify on several bills that have been introduced in the House of Representatives and referred to this Subcommittee.

In the letter of invitation you asked us to address the following bills: H.R. 1037; H.R. 1098; H.R. 1168; H.R. 1172; H.R. 1821; H.R. 1879; and H.R. 2180. Of those, only H.R. 1168 and H.R. 1879 pertain to the Department of Labor and I will restrict my remarks to those two bills. We defer to the Department of Veterans Affairs (VA) on the remaining bills.

H.R. 1879—To amend title 38, United States Code, to provide for employment and reemployment rights for certain individuals ordered to full-time National Guard duty.

The purpose and sense of Congress in enacting the Uniformed Services Employment and Reemployment Rights Act 1994 (USERRA) was to "encourage non-career

service in the uniformed services” (38 U.S.C. § 4301). To further this purpose, Congress limited to 5 years the cumulative time that an employer is required to support a servicemember’s military absences. H.R. 1879 would amend USERRA to exempt from the 5-year limitation the service of National Guard members who are ordered to full-time duty pursuant to 32 U.S.C. § 502(f), and that the Secretary of Defense designates as being exempt from the 5-year limitation under USERRA. To accomplish this, the bill would add a new subparagraph (F) to the other 5-year limitation exemptions listed in 38 U.S.C. § 4312(c)(4). The Department is confident that the Secretary of Defense is sensitive to the balance civilian employers face in supporting their employees who serve in the National Guard and also succeeding in their businesses, and therefore we have no objection to this provision. However, the bill should clarify that a particular 502(f) assignment is exempt from the 5-year USERRA limitation of 4312(c)(4)(F) only if the Secretary of Defense expressly designates in writing on the orders to duty that such duty qualifies under 38 U.S.C. § 4312(c)(12)(F).

H.R. 1168—To amend chapter 42 of title 38, United States Code, to provide certain veterans with employment training assistance.

H.R. 1168 would direct the Secretary of Labor to provide covered veterans a monthly training assistance allowance for each of 6 months in which they are enrolled in an employment and training program that teaches a skill in demand. Covered veterans would include those who: do not qualify for VA’s educational and training assistance under Title 38, have been unemployed for 4 consecutive months, and can complete the training program. The amount of the assistance would be tied to the basic allowance for housing for an E-5 payable in the ZIP code area in which the veteran resides. The veteran would also be eligible for a \$5,000 moving stipend.

The Department notes that H.R. 1168 appears to establish an entitlement to this assistance, which is a concern in light of the long-term financial challenges the Nation faces. The assistance would be available without regard to the financial need of the veteran or the need for training to enhance his or her employment prospects.

The Department also notes that veterans receive priority of service within the wide array of training programs currently available through the DOL-funded One-Stop Career Center system. Moreover, Pell grants and other financial assistance may also be available for unemployed veterans. As unemployed workers, these veterans may be eligible for unemployment insurance benefits as well.

The Department, however, would like to offer some thoughts on this pending legislation. In the event this legislation is enacted and appropriations are provided, there are several issues that we will have to address prior to its implementation. For instance, the Department will need to develop a system of certification and payment. In addition, the Department will need to explore various options to include the possibility of veteran certification being done by veterans’ employment specialists in One-Stop Career Centers. If the veteran is or has been in receipt of unemployment insurance or unemployment compensation for ex-servicemembers, then verification could be made from those respective records.

The Department would need to work to develop a payment system, which would include collaborating with the Department of Defense to ascertain payment amounts under section 403 of title 37, United States Code.

The Department believes this program’s highest priority should be those eligible veterans who without this benefit would be unable to obtain the training necessary to find a good job.

This concludes my statement, and I would be happy to respond to any questions.

Statement of Hon. Bob Filner, Chairman

Thank you Chairwoman Herseth Sandlin and Ranking Member Boozman. I appreciate the opportunity to speak on H.R. 1821, Equity for Injured Veterans Act of 2009, which I introduced earlier this year.

Throughout the history of our country our citizens have recognized the need to equip our servicemembers with the resources needed to complete their mission and reciprocate the same commitment to veterans that they have exemplified while in military service. Certainly, the Department of Veterans Affairs’ Vocational Rehabilitation and Employment program is no exception to this change. From the time when vocational rehabilitation was provided to World War I veterans to the time it was formally created by Public Law 96-466, this important program has evolved to meet the unique needs of the time.

Today, by including H.R. 1821 in this hearing we have shown that there is a need to reevaluate the VR&E program to provide and equip our most vulnerable veterans with the tools needed to succeed. Specifically, my legislation seeks to:

Expand VR&E participation eligibility for a period of 15 years, from the current 12 years, allowing injured veterans the additional time needed to heal prior to seeking employment;

Authorize the Secretary to pay subsistence allowance for a period of 6 months, from the current 2 months, while the veteran continues to satisfactorily follow a program of employment services after program completion;

Provide an equitable housing stipend at the same levels as the new Post-9/11 GI Bill housing stipend recipients. Currently, disabled veterans who do not qualify for the Post-9/11 housing stipend, and are participating VR&E, will receive a lesser housing stipend even though their injury is any less grave;

Authorize the Secretary to provide reimbursements for child care services. Providing VR&E participants the ease of mind that their children will be taken care of while they obtain the needed skills to enter the workforce is a major concern for veterans with children. I am confident that this section will help reduce the drop-out rate and encouraging program completion;

Finally, my bill will require the Secretary to modify its VR&E reporting requirements as recommended by a recent Government Accountability Office report on VR&E.

We must never forget the great debt we owe our veterans, especially those who have become injured while protecting our freedoms. H.R. 1821 is a modest change to a program that will strengthen our Nation's commitment to serve our veterans with the same commitment and dedication with which they protected and served us.

Madam Chair and Colleagues, I thank you for considering H.R. 1821 in today's legislative hearing. I would be happy to answer any questions you may have.

MATERIAL SUBMITTED FOR THE RECORD

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
May 26, 2009

Mr. Wade J. Spann
Alumni
Wounded Warrior Project
10 G Street, NE
Washington, DC 20002

Dear Mr. Spann:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity Legislative Hearing on May 21, 2009. Please answer the enclosed hearing questions by no later than Thursday, July 2, 2009.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-4150.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

**Wounded Warrior Project Responses to Questions From
Representative Stephanie Herseth Sandlin
Chairwoman, Subcommittee on Economic Opportunity
House Veterans' Affairs Committee**

LEGISLATIVE HEARING ON MAY 21, 2009

Question 1: Can you explain how a flat rate for child care would be cumbersome, as stated in your testimony?

WWP wishes to respond to this question in view of the revised language in the amendment in the form of a substitute that now constitutes H.R. 1821.

First, we believe Vocational Rehabilitation and Employment (VR&E) coverage of child care expenses would be a significant enhancement to current VR&E benefits. We applaud the Chairman for addressing this in the amended bill.

Secondly, we note the Bill now includes a "means test" to determine whether or not a sole caretaker VR&E participant should be reimbursed for child care expenses. WWP believes this provision obviates the need to restrict the reimbursement to sole caretakers since a means test, by definition, would corroborate need regardless of marital status. Accordingly, the bill should be amended to remove the sole caretaker limitation but retain the means test to determine whether or not child care expenses should be reimbursed.

We thank the Chairman for his leadership in addressing this issue in the amended bill. Reimbursing child care expenses for those VR&E enrollees who would be unable to participate in the program without such payments is a sound one.

Question 2: In your testimony you state that the Independent Living Program is not addressed at all. What should we be doing to properly address the Independent Living Program?

The Vocational Rehabilitation and Employment (VR&E) program should be the "crown jewel" of VA benefits. Wounded Warrior Project believes the time has come to re-examine the entire VR&E program and develop a model VR&E program better suited to the needs of our newest generation of wounded warriors. Such an overhaul could improve the relevance and impact of all elements of the VR&E program, including the Independent Living program. We are currently writing a policy white paper which will propose such a model. We plan to work closely with VR&E senior

staff and our field service teams who interact with VR&E enrollees daily throughout the country to propose a model program. We expect this study to be completed later this summer, and we would be happy to provide Chairwoman Herseth Sandlin a copy.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
May 26, 2009

Mr. Raymond Kelley
National Legislative Director
AMVETS
4647 Forbes Boulevard
Lanham, MD 20706

Dear Mr. Kelley:

I would like to request your response to the enclosed question for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity Legislative Hearing on May 21, 2009. Please answer the enclosed hearing questions by no later than Thursday, July 2, 2009.

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Sincerely,

Stephanie Herseth Sandlin
Chairwoman

Question for the Record
Hon. Stephanie Herseth Sandlin, Chairwoman
Subcommittee on Economic Opportunity
House Committee on Veterans' Affairs
May 21, 2009.

1. In the world of rehabilitation, is 18 percent a low number or an acceptable rehabilitation rate for the VA?

The short answer is 18 percent is in line with other vocational rehabilitation programs, but if 18 percent is acceptable why do these programs inflate their success numbers.

At face value, both Veterans Affairs' Vocational Rehabilitation and Employment, Chapter 31 benefits program (VR&E) and state Vocational Rehabilitation (VR) programs appear to have high success rates that average in the mid 70 percentile. However, these percentages are not the actual rehabilitation rates. VR&E has more than 90,000 enrollees with just over 11,000 veterans achieving their rehabilitation plans. State VR programs have a similar ratio of successes to total number of program participants.

VA and states arrive at their success rates in different manners. States follow the Federal Evaluation Standard with several performance indicators. The first performance indicator is the total number of rehabilitations. This number is calculated by the number of rehabilitations divided by the sum of the Individual Plan for Employments (IPE) signed in VR plus the number of Status 28 closures.

Status 28 is the status for customers who must be closed as "not rehabilitated" after having been accepted for VR services and whose services under the IPE had already begun. On the basis of clear evidence, the counselor must determine that the customer cannot progress to the point of entering employment. Some examples of reasons for Status 28 closures include: death; no longer has rehabilitation potential (due to failing health, etc.); will not be employed in an integrated work setting; has left the state and has no job; or refuses further VR services.

The real percentage of VR customers to achieve their IPE averages around 15 to 17 percent. Once the Status 28 customers are added it inflates the percentage to around 55 percent. The Federal Evaluation Standard for rehabilitation is 55.8 percent. The states then report the percentage of customers who have an employment outcome with an hourly wage at or above minimum wage for 35 or more hours per week from the 55.8 percent, increasing the successful rehabilitations to 75 percent.

VR&E arrives at its percentage rate in a different manner. VR&E starts with the number of veterans who are no longer receiving services under Chapter 31. For FY 2008, this number was 16,169. This number is arrived at by taking the total number of rehabilitations (11,066, FY08) and adding all discontinued veterans (5,103, FY08) then subtracting the Maximum Rehabilitations Gained (MRG) (1,550, FY08). This leaves 14,619 veterans classed as rehabilitated or 75.7 percent rehabilitated. The three MRG categories are: (a) not employed and deemed unemployable; (b) employed but not following rehabilitation plan; (c) employable but not interested in seeking employment.

In FY08 there were 91,735 veterans in VR&E with 16,169 leaving the program for one of three reasons: rehabilitation, discontinuing the program or being viewed as MRG. This accounts for 17.6 percent of the enrollees. VA does not disclose the average length of rehabilitation, nor do they indicate how many veterans are in their last year of eligibility. Under the assumption that a veteran has 4 years to complete his or her rehabilitation plan 25 percent, or 22,000, enrolled veterans would have used their entire Chapter 31 benefit in FY08. With 11,000 completing their rehabilitation plan 50 percent of veterans in their last year of eligibility would be rehabilitated. Without complete data on the average months of usage and number of veterans who are in their last months of eligibility, finding an accurate rehabilitation rate is difficult at best.

In the end, an 18 percent vocational rehabilitation plan implementation appears to be in line with other rehabilitation rates, but if it was an acceptable rate for either VA or state programs they would not disguise the true rate. AMVETS' larger concern is the method of performance reporting of Chapter 31 benefits programs under title 31. Because of the appearance of a high success rate in reporting, Congress is not completely aware of the overall performance rate when making resource allocation decisions.

Without clear accounting and understanding of why such a high percentage of Chapter 31 benefits program participants are classed as MRG and what can be done to retain these veterans in rehabilitation plan, VR&E will continue to be underfunded and appear deceptive in their reporting.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
May 26, 2009

Mr. John L. Wilson
Associate National Legislative Director
Disabled American Veterans
807 Maine Avenue, SW
Washington, DC 20024

Mr. Wilson:

I would like to request your response to the enclosed deliverable I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity Legislative Hearing on May 21, 2009. Please answer the enclosed hearing questions by no later than Thursday, July 2, 2009.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

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Stephanie Herseth Sandlin
Chairwoman

**POST-HEARING QUESTION FOR
ASSOCIATE NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON DISABILITY ASSISTANCE
AND MEMORIAL AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
JUNE 24, 2009**

Question: Do you believe that the current method used by the VA to report the number of rehabilitated veterans is adequate in the Vocational Rehabilitation and Employment report or should the VA adhere to the proposal in H.R. 1821? Is it possible to get an earlier report?

Answer: VA currently reports the percentage of rehabilitated veterans as those who achieve either suitable employment or specific independent living goals. We believe the data currently reported by the VA is an effective measure of the success of the program.

Regarding the question of earlier reporting, we believe the current reporting cycle is sufficient as it provides accurate and timely reporting of VR&E veteran participation.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
May 26, 2009

Mr. Keith Wilson
Director
Office of Education Service
Veterans Benefits Administration
U.S. Department of Veterans Affairs
810 Vermont Ave., NW
Washington, DC 20420

Dear Mr. Wilson:

I would like to request your response to the enclosed deliverables I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity Legislative Hearing on May 21, 2009. Please answer the enclosed hearing questions by no later than Thursday, July 2, 2009.

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Sincerely,

Stephanie Herseth Sandlin
Chairwoman

Questions for the Record
Hon. Stephanie Herseth Sandlin, Chairwoman
Subcommittee on Economic Opportunity
House Committee on Veterans' Affairs
May 21, 2009
Pending Legislation

Question 1: In your written testimony you state that the success of the current VA work-study program is largely due to participants performing VA-related functions under the direct supervision of the VA. Why is it that the Federal work-study programs do not have direct Federal Government oversight while VA work study does?

Response: The Department of Veterans Affairs (VA) work-study program and the Federal work-study (FWS) are governed by different authorities. The Department of Education administers the FWS, and an institution participating in that program must follow the FWS statute and regulations as well as any applicable Federal, State, or local laws that govern employment. For example, an institution must follow the employment requirements issued by the Department of Labor or the requirements of the State where the student is employed that do not conflict with the FWS statute or regulations. Although the FWS program is a Federal financial aid program, it is also employment. Even though a student is awarded FWS based on financial need, if the student does not perform, he or she may be released from the job.

An institution can employ an FWS student or have an agreement with an eligible off-campus agency to employ an FWS student. In either case, the student must have a supervisor who directly supervises the FWS student in the office that the student is placed. When an institution places a student with an eligible off-campus agency, the institution must only enter into an off-campus agreement with an agency that has professional direction and staff. The employer has the right to control and direct the services of the FWS student. Since the Department of Education does not supervise the FWS student, the institution is ultimately responsible for ensuring that each FWS student's work is properly supervised, regardless of the employer.

Title 38 U.S.C. § 3485 governs the VA work-study program. Unlike the FWS program, VA is required by statute to supervise the work-study program. Work-study participants must be eligible for one of the education programs administered by VA and must perform duties related to VA activities. The work-study students must work under the direct supervision and control of a VA employee but may be assigned to assist in outreach activities. A work-study student engaged in VA outreach activities may be located at a non-VA organization and supervised by an official of the non-VA organization, but only in a cooperative supervisory effort with a VA employee who controls the work activities. In this case, the non-VA organization supervisor will report the work-study participant's hours worked to the supervisory VA employee. For students working at a VA facility, a VA supervisory employee is assigned to carry out the program.

Question 2: On May 21, 2009, you were unable to provide a cost estimate for H.R. 1098. I ask that you provide the Subcommittee on Economic Opportunity a cost estimate for H.R. 1098.

Response: Benefit costs for VA are estimated to be almost \$12 million during the first year, \$61.2 million for 5 years, and \$128.7 million over 10 years. The total cost to be reimbursed by Department of Defense is \$1.1 million the first year, \$5.6 million for 5 years and \$11.9 million over 10 years. Total benefit costs are estimated to be \$13.1 million the first year, \$66.9 million over 5 years, and \$140.5 million over 10 years.

Benefits Methodology: Based on historical data, we projected the number of trainees for both apprenticeship and on-the-job training for fiscal 2010 through 2019. For the chapter 30 program, actual obligations for fiscal 2008 were taken from the VA computer output identification number GIB 021 September report. For the chapter 32, 35 and 1606 programs, obligations were based on estimates provided by the Veterans Benefits Administration Education Service. Using obligations and data on the numbers of trainees, we calculated an average cost per trainee. We applied the cost-of-living adjustment commensurate with the fiscal 2010 President's Budget submission to derive the average benefits in the out-years. Obligations were calculated by taking the difference in the increase of the benefit payment (10 percent) for each year.

Fiscal Year	Cost to VA (\$000)	Reimbursable Cost (\$000)	Total Cost (\$000)
2010	\$11,954	\$1,102	\$13,056
2011	\$11,990	\$1,105	13,095
2012	\$12,182	\$1,123	13,304
2013	\$12,413	\$1,144	13,557
2014	\$12,674	\$1,168	13,842
2015	\$12,940	\$1,193	14,133
2016	\$13,212	\$1,218	14,429
2017	\$13,489	\$1,243	14,732
2018	\$13,772	\$1,270	15,042
2019	\$14,062	\$1,296	15,358
Total	\$128,686	\$11,862	\$140,548

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
May 26, 2009

Mr. John M. McWilliam
Deputy Assistant Secretary
Veterans' Employment and Training Service
U.S. Department of Labor
200 Constitution Avenue, NW.
Washington, DC 20210

Dear Mr. McWilliam:

I would like to request your response to the enclosed deliverables and questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity Legislative Hearing on May 21, 2009. Please answer the enclosed hearing questions by no later than Thursday, July 2, 2009.

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Sincerely,

Stephanie Herseth Sandlin
Chairwoman

**Response to Questions for the Record from the
House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Legislative Hearing**

May 21, 2009

Question 1: Can you elaborate on the system of certification and payment that would need to be developed if H.R. 1168 were to be enacted?

Response: A system of certification and payment would need to be created that incorporates several steps:

- certifications of eligibility for each Veteran applicant, to include determining that the applicant was ineligible for other assistance under Title 38, is ex-

pected to be able to complete the training, and, particularly, was unemployed for 4 months at the time of applying

- identification of employment and training programs that meet the definition of teaching a skill in demand
- determinations of enrollment by the Veteran in employment and training programs
- identification of the ZIP code in which the Veteran resides
- certification of payment

Question 2: In your testimony you state that, “eligible veterans who without this benefit would be unable to obtain the training necessary to find a good job.” How many veterans fit into this category?

Response: The Department believes this proposed training assistance should focus on helping those eligible veterans who need training to find a good job. As we noted in our testimony, there is already a wide menu of training-related assistance available to veterans, including those who are currently unemployed. However, there are an indeterminable number of veterans who are not only ineligible for other training assistance under Title 38, but may require this benefit in order to stay successfully enrolled in a training program. Unfortunately, we are unable to estimate the number of veterans who would fit into this category. Moreover, we do not have enough information available to know how many veterans simply do not enroll in Title 38 training, or considered enrolling, but were discouraged from doing so because they were unable to qualify for assistance, as these veterans would also fit into this category.

What we can provide, however, is data from the three most recent program years on the number of veterans receiving training services through the Workforce Investment Act (WIA) Adult and Dislocated Worker formula grants, including the number that are receiving unemployment compensation, as well as those that are already taking advantage of the needs-related payment that is available through WIA. We can assume that veterans enrolled in WIA training for a high demand skill may seek this benefit were it to be enacted.

Veterans—WIA Adult			
	Program Year 2005	Program Year 2006	Program Year 2007
Total served	16,312	52,916	59,584
<i>% of total WIA Adult</i>	<i>6.6</i>	<i>8.2</i>	<i>7.8</i>
UI Claimants	3,051	5,189	5,920
Needs Based Payments	184	216	210

Veterans—WIA Dislocated Worker			
	Program Year 2005	Program Year 2006	Program Year 2007
Total served	19,170	24,005	21,870
<i>% of total WIA DW</i>	<i>8</i>	<i>8.5</i>	<i>12</i>
UI Claimants	9,927	9,254	8,983
Needs Based Payments	109	92	83